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(E.S.D.)

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Marginal Column

By ZE'EV LAQUEUR

MR. Noel Coward has reported what everybody does in Bangkok after twelve noon; everybody, that is, but mad dogs and, well, members of a friendly nation. The effect of heat, say the medical books, is to dilate the skin capillaries and increase the activity of the sweat glands. Metabolism rises, temperature goes up, respiration becomes more rapid and shallow, the pulse increases. The effect on the nervous system is first wakefulness, then irritability and finally . . . "Man has an almost incredible power of adapting himself to wide variations of temperature," they say. "Dry air is a tonic and is stimulating," but "less work is done as the temperature rises above 70 degrees Fahrenheit. Above 90 F. very little is done." It is now (as these lines are being written) 108 degrees Fahrenheit.

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THE heat affects various people in various ways. Some become more talkative; our own public spokesmen become more taciturn. Perhaps it is the fall in carbon dioxide content. The Army spokesman or his superiors appear to be satisfied that their Jordan colleague is working. "The disinclination to do active work at a moderately high atmospheric temperature may be interpreted as a conservative and protective process on the part of nature," says Rosenau in "Preventive Medicine." Long live the protective process. But people who have been at the manoeuvres say that the Army is better than its public relations. In the Foreign Ministry, they are not talking either. Probably they have no smart, powerful Fedders. Wake up thirsty in hot weather? Breakfast on soda pop after soggy, sleepless nights? Sleep snugly in delicious Bar Harbour type air conditioner! All you need to do is push a button! They have no Fedders and that news is stale. A journalist friend of mine hasn't been there for a press conference for five years and yet he somehow goes on writing in the papers.

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IT is cool in Europe, and raining. Queen Elizabeth has a cold and has had to cancel all her engagements. But it is warm in Egypt and in Assiut six persons have been murdered in a day. "Effect of the Heat Wave," the paper heads the story. Gamal Nasser has not cancelled his engagements: he goes on talking. The Zionists and the Moslem Brotherhood, odd bedfellows they, have established an alliance in Cairo and are trying to attain power, *Allah kebir*. What Zionists are they, Mapam majority or minority? If it is a Mapai-General Zionist coalition, they'll soon cause a government crisis and Nasser need not worry. "The symptoms of sunstroke are mental excitement, that may become maniacal, and loss of consciousness." Colonel Nasser has the symptoms.

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HEAT exhaustion may also cause loss of memory, say the books. A. M. Nekritch in the July issue of the Soviet "Problems of History" writes on Anglo-German relations in the Middle East in the nineteen-thirties. Among the paid Nazi spies in Egypt, he says, was the chief of staff of the Egyptian Army, Aziz el Masri. Fullstop. The present Egyptian Ambassador to the Soviet Union is a man by the name of Aziz el Masri. What an odd coincidence. It is 48 degrees Centigrade in Ashkhabad, Turkmenia. The relative humidity conducive to health and well-being is somewhere between 40% and 60%. It is less than 30% in Jerusalem and 79% in Tel Aviv. It is 79% in Davos too. Mr. Rokach left Tel Aviv for Davos yesterday.

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SNOW is falling on the Lago Maggiore, but 10,000 Cypriots braved the heat in another demonstration against the British. Periodic variations of temperature are as desirable inside buildings as outside. The temperature of the air influences the temperature of the body and, also, the general status of the vasomotoric mechanism. In a general way it may be said that moist air is depressing and enervating. A healthful climate is always a breezy climate within reasonable limits. Much of the benefit of driving, of fanning and of rocking chairs is due to the motion of the air. Observers say, they are rocking in Singapore from two to four.

Jerusalem, August

Extradition Law Passes; Replaces 1881 Statute

Jerusalem Post Knesset Reporter

The Law of Extradition was passed by the Knesset last night, over the opposition of Mapam, Herut, the Communists and the Left Socialists, with the Orthodox parties abstaining. Up to now, the English law of 1881 was in force.

In the Legislation Committee, debate centered on the question of whether Israel citizens should be extradited under any conditions at all, and a majority of the committee, and yesterday of the Knesset, agreed that they should be liable to extradition.

An extradition order will not be issued where there is reason to believe that the request for it comes as a result of racial or religious discrimination, or in order to punish a person for a crime of a political nature, even if this is not the reason given.

No extradition order will be issued where the act for which it is requested is not considered a crime in Israel. Nor will a person be extradited for a crime whose punishment is death, if that is not the punishment in Israel, unless the country making the request undertakes not to impose the death penalty.

It is necessary that an extradition treaty be in force between Israel and the country requesting extradition, and the Minister of Justice is authorized to order that the person requested be brought before the District Court in order that it determine whether he is subject to extradition.

Extradition Treaties

The Attorney General, or his representative, and high police officers may order the arrest of a person requested. A person so arrested must be brought before a Magistrate within 48 hours for the issuance of a detention order. The latter is not to be for a period longer than 15 days, but this may be extended under certain conditions.

A person is not to be extradited unless the agreement with the country making the request provides that he will not be imprisoned, tried or punished in that country for another crime committed before his extradition, and that he will not be extradited to another country, except under certain conditions.

During the second reading, the Knesset rejected the numerous amendments proposed, mainly by Dr. Z. Warhaftig (Hapoel Hamizrahi) and Dr. Y. Bader (Herut).

Dr. Warhaftig maintained that, if the Knesset accepted the principle that a person would not be extradited for an action not considered a crime in Israel, then it should also not allow extradition where the punishment is considerably greater than here. But Dr. Warhaftig was actually opposed to extradition altogether, maintaining that crimes should be tried here, even if committed in other countries.

The committee's version of the bill was defended by Mr. D. Bar-Rav-Hay (Mapai).

Israel May Now Turn Back Criminals

The Knesset passed the Second and Third readings of an amendment to the Law of Return, authorizing the Minister of Interior to forbid the immigration of a person with a criminal past who is liable to endanger the public peace.

The original Law of Return made only two exceptions to the right of Jews to settle in Israel: persons who had acted against the Jewish people, and persons liable to endanger the public health or security.

Dr. Warhaftig opposed the amendment, claiming that it was the right, not the privilege, of every Jew to return to Israel. Mr. M. Unna thought the terms of the amendment were too vague and, among other things, suggested, that the phrase "public peace" be replaced by "public security."

The amendment was passed by 30 votes against 10, the 10 of the Orthodox parties, Mapam, Herut, and the Left Socialists.

Benefits for Veterans Of World War II

An amendment to the Discharged Soldiers Law passed its first reading. It grants to disabled veterans of the Jewish Brigade and of other forces of the Allies in World War II the protection with regard to re-employment and non-dismissal enjoyed by disabled veterans of the Israel Defence forces.

The Chairman of the House Committee, Mr. Bar-Rav-Hay announced that, at the request of Mapai, Mr. Z. Shefer would replace Mr. J. Efrati in the Finance Committee.

The remains of our dear husband, son-in-law, father and grandfather

Elhanan Karwassarsky, Adv.

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who passed away in the United States, have been brought to Israel and will be laid to rest at the Nahlat Benyamin Cemetery.

The funeral will take place today, Tuesday, August 24, 1954, from the Hadassah Hospital, at 10 a.m.

The bereaved family:

his wife — Shoshana Karwassarsky
his mother-in-law — Rita Rapaport
his daughter — Adina Korelik and her husband
his grandchildren — Meira, Zekharia and Ezra
his brothers — Abraham and Eliezer Karff, U.S.A.
the Braverman and Rainer families in Israel
the Hapkin family in the U.S.

Egypt, Iraq May Offer Pro-West Arab Pact

An agreement was reached in the recently-concluded Iraqi-Egyptian talks for tranforming the Arab League's Collective Security Pact into an Arab treaty organization openly in support of the West, according to the Arab News Agency from Baghdad.

No details were available on the projected new organization, but ANA said the matter will be discussed at the League's General Council meeting in Cairo at the beginning of September.

It was pointed out that the present tour of Arab capitals by the Secretary-General of the Arab League, Mohammed Abdul Hassuna, is closely connected with this scheme. He is understood to have the task of convincing the Arab governments of the need to send top-level representatives to the scheduled Cairo meeting which may change the entire face of the Arab League.

Hassuna arrived in Damascus yesterday accompanied by the Jordan Foreign Minister, Jamal Toukan. They met the Syrian Prime Minister, Said el-Ghazzi, and Foreign Minister Izzat Sakkal.

Hassuna was reported from Amman to have admitted that the recent developments in Cairo and Baghdad have caused the Arab League to face a crucial point in its history which it can no longer evade, and on which a clear-cut decision must be taken.

ANA further reported from Cairo that there are now serious diffrences regarding the League's future policy between Has-

(Continued on Page 2, — Col. 6)

'Guardian' Sees Danger In US Arms Flow to Iraq

MANCHESTER, Monday (Reuter). — The "Manchester Guardian" expressed the hope today that Iraq had not won Egypt to its point of view on Israel in the talks at Sarsank.

"A burning question in Iraq is the quarrel with Israel," the liberal newspaper said. "It must be hoped very much that one result of the talks will not have been to infect Egypt with Iraq's excitability upon this matter.

"The first remarks by the Egyptian leaders after the Suez agreement had suggested that Egypt would not heat up the conflict with Israel. The supply of American arms to Iraq will worsen the situation in all the Middle East unless Iraq gives credible assurances about what it intends to do with them," the newspaper concluded.

Military Aid to Israel 'Essential,' Lehman Says

WASHINGTON, Monday (INA) —Military aid to Israel is "essential" to relieve tension in the Middle East and build a sense of security, Senator Herbert H. Lehman said last night.

He declared the recent agreement on the Egyptian control of the Suez Canal Zone and withdrawal of British forces from that area made the military strengthening of the Middle East necessary "from the viewpoint of the free world," but that "strengthening must be uniform, and it must include Israel."

Mr. Lehman said he had until recently "some qualms" about such a military build up because "I have always felt economic aid programmes promised higher returns in alleviating the source of tension."

Respite Welcomed In 4% Clause Dispute

By Our Political Correspondent

Both the political parties involved in the electoral percentage clause discussions and the public at large are enjoying a breathing spell as a result of Mapai's decision of Saturday night to take up the question with the General Zionists directly, and their acceding to the proposal.

The representatives of the two parties are to meet only on Thursday of this week. This might serve as evidence that neither side is disposed to rush matters. At any rate, this week's Knesset sittings are not to be disrupted by a crisis atmosphere, though the usual lobby-buzzing will go on.

The week's respite may have the further advantage of cooler and wiser counsels being made to prevail, particularly on the General Zionist side. Somewhat unseemly haste of the more impetuous among them in proclaiming the end of collective responsibility, in protest against the four per cent clause not being enacted on time, has caused the rest of the Party leaders to weigh matters.

Many General Zionists are far from persuaded that delay in the implementation of the clause is justifiable *casus belli*; that in itself the clause should be fought for even at the price of breaking up the Coalition; and that if the Coalition is not to run its natural life, the Party would not do better to wreck it on an issue with a wider appeal to its own followers.

Paying the Price

On Mapai's part, there appears to be less divergence, for on one basic question all are agreed, that the end of collective responsibility by the General Zionists, in the Government and Knesset, must mean the end of this Coalition. To prevent a break-up, there are those, Mr. Sharett foremost, and all the Mapai Ministers with him, who are prepared to pay a price; and if the price is the four per cent clause, near the general election, then that too.

Agreement to maintain the clause is not, however, the same as in a sense favouring it. It was at no time popular with the Party as a whole, and may now be said to be thoroughly disliked by the entire Party, with almost no exceptions.

Two reasons, both of great potency, are advanced by the Mapai backers of the agreement: the obvious one that the Party is committed to it, and cannot without the concurrence of the other side go back on it; and that if the General Zionists make a Cabinet, and Knesset, issue of it, with the crumbling of the Coalition as the inevitable result, then rather the distasteful clause than a break-up.

It will now be the job of the Mapai negotiators to try to persuade their opposite numbers that the electoral clause is not to the country's or anybody's interest, and that it should be withdrawn by consent. The chances of the General Zionists now agreeing to this are not as remote as once they seemed, or even as they were a few months back.

The Country Breathes Again

TEL AVIV, Monday. — People were today breathing with sighs of relief as refreshing west winds broke the worst heat wave for years. Improvements in weather conditions occurred all over the country with the exception of the South.

The population of the hill regions was especially fortunate as temperatures dropped in Jerusalem from 39 to 32 and on Mount Cana'an from 37 to 33.

At the same time, humidity increased in the hills while it mercifully declined along the coast where the heat was lower by only about two or three degrees—the mercury still hovering about the thirties.

The weatherman expects the improvement to continue.

The unpleasantness of the last few days was caused by a stationary high pressure area over Israel and the neighbouring countries, the Meteorological Services report.

In such a high pressure area the air subsides, thereby getting hot and drying out. This subsiding air prevents the diffusion of moisture into the air at higher levels and the coastal plain remains humid.

10 Degrees Above Normal

Temperatures reached their peak on Sunday when the maximum for Jerusalem was 39.2 — almost 10 degrees above the average maximum for August.

In the coastal plain the temperatures were generally normal but the oppressive feeling was caused by abnormally high humidity (80%).

Although Mekorot Water Company continued today to cut 10% of its supply to Jerusalem, the drop in temperature and the judicious distribution of water by the Municipality, averted hardship in the Capital.

Mekorot refused to rescind its action, but agreed to negotiate for settlement of ten weeks' account. As IL.10,000 were paid some time back, the water department now owes IL.44,000.

"The Jerusalem Municipality has not paid its bill to the Mekorot Water Company since last April, although it has been collecting water rates from its citizens," a Mekorot spokesman declared yesterday.

He added that this had forced the company to limit the supply of water to the Capital.

The spokesman said that Jerusalem owed the company IL.140,000 at the end of 1953 for water and several thousands of pounds on other accounts. The City has paid none of this, nor any of its current debt.

Watches Fall Victim To Haifa Weather

Jerusalem Post Reporter

HAIFA, Monday. — Wrist watches appear to be the principal victims of the heat wave here. Watchmakers told *The Jerusalem Post* today that an extraordinary number of watch springs were broken during the past few days.

They explained that the largest number succumbed on Mount Carmel and in the Galilee hills, where the temperature drops considerably during the night, causing a rapid contraction of the delicate springs, which become brittle and break. The dampness of the air also has an adverse effect on the springs. Even brand new springs, imported from Switzerland, and protectively wrapped in tin foil and oil paper, are becoming casualties of the Israel heat, and some break even before they can be put into a watch.

Port stevedores, unloading 300 tons of frozen fillet from the s.s. Prins Bernhard today, probably enjoyed their job more than anyone else. The ship's refrigerated holds are kept at a very low temperature, and workers must rest every hour in order to warm themselves again in the sun.

Army, Navy Guard Brazil's President Against Air Force

RIO DE JANEIRO, Monday.—Army and Navy units here were alerted today to support President Getulio Vargas against a possible Air Force attempt to force him out of office, while police took over Rio's radio stations.

All army division in the Rio area were on "stand-by stations" and warships in harbour had steam up ready for action. Guards with sub-machineguns were posted at the Presidential Palace and police headquarters to divert traffic and keep pedestrians moving.

The upsurge of tension in the Brazilian political crisis followed publication today of a note signed by 30 top-ranking Air Force officers asking Army and Navy support to oust President Vargas.

The Speaker of the Assembly, Mr. Joao Ilho, suggested that in view of the rumours and tension in Rio and Sao Paulo, both he and President Vargas should resign their offices, leaving the Senate to elect another Speaker and hold presidential elections within 30 days as the constitution provides in the event of such resignations.

The President's reply was, "I was elected President by the people for five years and I will not allow myself to be demoralized by those who would disturb the order of the country. I will only leave the presidency dead."

The Chief of Staff, Marshal Mascarenhas de Morais, informed the President of the state of tension. According to reports Marshal Morais said he would "stick by the President."

The present "crisis" now in its 19th day was caused by the assassination of air force Major Rubens Vaz allegedly by the President's own guards during an attempt on the life of an Opposition newspaperman, Mr. Carlos Lacerda, who was wounded. *(Reuter, UP)*

Guatamalan Cadets Said Executed

MEXICO CITY, Monday (UP). — Usually reliable Guatemalan sources here reported today that an undisclosed number of cadets from the military academy in Guatemala City were executed by a firing squad after a court martial convicted them of rebellion and sedition for an abortive revolt on August 2 and 3. The executions were carried out last Thursday.

The Guatemalan Government junta announced on August 16 that 120 military school cadets would be tried before a summary court martial for their attack on the anti-Communist "Liberation Army" units on August 2 in which 25 persons were killed and more than 100 wounded.

Finances 'in Order' Despite Deficit

Even though the statement of revenue and expenditure for the first three months of the current fiscal year (April-June) shows a deficit of IL.10.5m., the situation is satisfactory, Mr. P. Sapir, Director General of the Ministry of Finance, said yesterday at a Press conference in Jerusalem.

Revenue during the three-month period was IL.135.8m. or 23½% of the IL.572.5m. estimated for the year. Expenditure was IL.146.1m. Last year, only 19% of the year's estimate was received during the first quarter. Mr. Sapir was confident that the estimate will be achieved.

He especially stressed that the IL.75m. deficit on account of the equalization fund has been reduced to IL.35m.

The cash-on-hand position is still unsatisfactory, Mr. Sapir stated, adding that one of the Treasury's goals is to build up the Government's working capital.

The $18m. loan recently received from the Bank of America was not for current expenditure, but for working capital and for building up an exchange reserve. It was worth paying the interest in order to be in a position to pay cash, the Director-General declared.

Mr. Sapir described as "inaccurate" the recent statement by the Deputy Mayor of Jerusalem, Mr. E. Eliachar, claiming that the Government owed the Capital IL.700,000. A meeting was held at his office on Friday between representatives of his Ministry and the Municipality in order to show the Municipality the true state of its finances.

Jerusalem Votes IL. 2 m. Development Budged

A bare quorum of the Jerusalem Municipal Council—11 members out of 21—this week passed the 1954-55 draft Development Budget, amounting to over IL.2m., and yesterday submitted it to the Ministry of Interior for endorsement. The whole budget was discussed and voted on unanimously with record speed: a half session sufficed for this normally weighty business, because the left-wing Opposition, as usual, boycotted the meeting. The rest of the session was devoted to sanctioning promotions of 300 municipal employees, scheduled for up-grading these past three years.

Hussein in Turkey

ISTANBUL, Monday (Reuter). — King Hussein of Jordan arrived here by air today on an official visit.

Britain, France Pledge To Maintain Western Unity

Churchill 'To Help' Mendes-France

LONDON, Monday — Britain and France agreed today on the necessity of "early practical steps" to maintain the unity of the Western nations. This was announced in a brief statement issued at the end of a five-hour conference between Premier Sir Winston Churchill, Foreign Secretary Anthony Eden and the French Prime Minister, M. Pierre Mendes-France.

The statement, however, made no mention of what these steps will be. It said: "A general discussion took place on the situation arising from the outcome of the Brussels conference. The Ministers were agreed on the importance of maintaining the unity of the free nations of the West and on the necessity of early practical steps to give effect to this."

The three men met in Sir Winston's country home in Kent after the French Premier flew here from Brussels earlier today following the breakdown of the European Army conference there. Mr. Eden joined the two Premiers for lunch after cutting short his holiday in Austria to fly home for the meeting.

Seven senior advisers, four British and three French, attended the luncheon and remained during the discussions which followed.

Sir Winston, who had earlier met M. Mendes-France at the airport, helped the French Premier into the car taking him to a nearby Royal Air Force station, saying: "I will do all I can to help you."

Deeply Touched

Prior to his departure the French Prime Minister told reporters at the airfield that he was deeply touched by the reception given him today by Sir Winston and Mr. Eden. "We were all agreed on continuing the cooperation of the Western countries, and especially our two nations, towards our common ends ideals."

Speculation about the talks ranges from a belief in some quarters that M. Mendes-France is trying to win the approval of France's allies for another conference with the Russians before West Germany is armed, to reports of an eleventh hour attempt by the French Premier to obtain British participation in the E.D.C.

Later reports from Paris quoted high French sources as saying that the Prime Minister had brought back three objectives from the Brussels conference and his talks in London. These were preparation to bury the European Army treaty, restoration of West German sovereignty and the evolution of another formula for her controlled rearmament. *(Reuter, UP)*

Lisbon Wants Fixed Agenda for Delhi Talks

LISBON, Monday. — Portugal today informed India she would refuse to take part in negotiations over the disputed Portuguese territories without a fixed agenda.

In a note delivered to India, Portugal expressed willingness to start such talks immediately with New Delhi representatives provided India agrees to proposals contained in a previous note of August 8 limiting the discussion to the subject of creating a commisson of neutral observers.

The note reaffirmed Portugal's offer to open separate and more extensive negotiations "in a third country" aimed at "solving certain problems arising from the co-existence and neighbourliness of the Portuguese states in India and the Indian Union."

The Portuguese sent a note today complaining to India about a violent Press and radio campaign which openly threatened Portuguese "territorial integrity in India." It charged India with pursuing a course "not in accordance with the conciliatory principles" of recent Indian notes, and cited in particular the "isolation" of the enclaves of Dadra and Nagar Haveli, as well as the "economic blockade" of Goa. *(UP, Reuter)*

Israel Soldiers Fire From Hotel—Jordan

AMMAN, Monday (Reuter). — Jordan has complained to the Jordan-Israel Mixed Armistice Commission that Israel forces stationed in the King David Hotel opened fire on the Old City of Jerusalem, Jordan sources on the Commission said here today.

(The new Chief-of-Staff of the U.N. Truce Supervision Organization, General E. L. M. Burns, has taken up residence at the King David.

The manager of the King David, reached last night, ridiculed the idea that soldiers were stationed in the premises, and said that the Amman announcement must be a very much belated April Fool's Day joke.)

A second complaint alleged that a patrol of the Arab Legion operating inside Jordan territory was fired on by Israel forces stationed near the armistice line in the Jenin area. The patrol returned the fire. Two Israelis were believed wounded but there were no casualties on the Jordan side, the sources said.

UN OFFICER'S REGRETS

No complaint has been lodged by the U.N. against Israel for shooting at a U.N. observer, as alleged by Ramallah Radio on Saturday, *The Jerusalem Post* was informed yesterday. On the contrary, Col. M. van Horen, the officer mentioned in the report, informally expressed his regrets for the incident to the Israel M.A.C. delegates and the incident was regarded as closed.

It seems that Col. van Horen had crossed into the demilitarized zone of Israel in the company of Arabs, not at the conventional crossing point, and without having given prior notice to the Israel authorities. An Israel guard fired a shot, whereupon the U.N. Colonel waved his white handkerchief and identified himself.

He took the earliest opportunity a day or so later to explain informally to the Israel M.A.C. delegate what had happened, and added his regret.

Frenchman Hacked To Death by Moroccan

CASABLANCA, Monday. — A French civil servant, M. Jean-Baptiste Leca, was hacked to death with an axe today by a Moroccan whom he surprised trying to steal wood outside Casablanca. The Moroccan was arrested.

A Moroccan cyclist was attacked by terrorists on his way home in the Arab quarter here last night and seriously injured.

The Resident-General, M. Francis Lacoste flew today to Paris for top-level consultations on restoring peace in Morocco. French officials were tight-lipped on the latest trip and gave no details on the reforms he is expected to propose to the French Premier, M. Pierre Mendes-France.

Despite the continuing terrorism, officials said M. Lacoste's hand had been strengthened by the fact that the violence during the "month of vengeance" declared by the Nationalist Istiklal Party, has been greatly reduced in the past two weeks.

A nationalist-declared general strike last Friday, on the first anniversary of France's exiling of Sultan Sidi Mohammed ben Youssef, failed for lack of support. Only a few stores not normally closed on the Moslem day of prayers, were shuttered. No mass demonstrations were attempted. *(Reuter, UP)*

KLM Airliner Crashes Off Holland; 23 Dead

AMSTERDAM, Monday. — The K.L.M. Royal Dutch Airlines announced tonight that its Douglas Skymaster, the William Bontekoe, with 23 persons aboard, crashed into the North Sea on a flight here from New York.

The plane had taken off from Shannon, Ireland, and had crashed 19 minutes short of its destination. Dutch planes and boats launched an air-sea hunt and one ship reported sighting burning wreckage in the North Sea with no sign of survivors.

From Mason City, Iowa, it was reported that a twin-engined plane belonging to the Braniff Airline and carrying 19 people was demolished in a crash about 24 miles from that city, killing 11. *(Reuter, UP)*

6 Killed, 50 Injured In Spanish Train Crash

MADRID, Monday (Reuter). — Six bodies have been removed from the wreckage of a train which flew off the rails between Casariche in Seville Province and Punete Genil, Cordoba Province.

The train was the express from Malaga to Madrid.

About 50 injured, including 15 in a serious condition, have been saved by rescuers. It is feared there may be more victims.

7 Mau Mau Killed In Running Battle

NAIROBI, Monday (Reuter).— About 500 Kikuyu Home Guards and 100 police killed seven Mau Mau terrorists and wounded six in a running battle 30 kms. north of here today, it was announced. One of those killed was said to be an important leader.

Burns Confers In Cairo, Leaves for Gaza Strip

LONDON, Monday (Reuter)— General E. L. M. Burns, chief of the U.N. Truce Supervisory Organization, conferred with Foreign Minister Mahmoud Fawzi at his office in Cairo today, Cairo Radio reported.

General Burns was accompanied by General Vagn Benikke.

The meeting was attended by Brigadier Mahmoud Riyadh, director of the Arab Administration of the Foreign Ministry, and Colonel Bouhar, Director of Palestine Affairs at the Ministry.

The meeting lasted about 20 minutes, during which "coordination of the armistice observance work" was discussed, the radio said.

Later today Gen. Burns and his predecessor left for the Gaza Strip.

Cairo Radio also reported that Egypt has asked for immediate steps to convene the Special Committee of the Israel-Egyptian MAC, on whose agenda 14 appeals have accumulated since it last met three years ago.

Act Calmly, Greece Told by Menderes

ANKARA, Monday (Reuter).— The Turkish Premier, Mr. Adnan Menderes, in his first comment on the Cyprus situation, said he hoped that Greece would not be long in recognizing that calm and moderation is at present more necessary than ever.

Speaking at a private luncheon here yesterday, Mr. Menderes is reported to have said the situation had become more delicate in the past few days over Greece's demand that the people of Cyprus should be allowed to decide on Union with Greece.

Wings for New Air Force Pilots

Jerusalem Post Reporter

The Air Force flying school was all spruced up and dressed with flags yesterday to entertain the families of a group of new pilots who received their wings and their commissions (as Segen-Mishneh) in the Israel Defence Forces.

Against a background of two converging rows of parked aircraft, the graduating cadets lined up on the runway, and as their names were called, they marched forward to have their pilots insignia pinned on their proud chests and to receive their flying certificates from the hands of the Head of the Army G-Branch, Aluf Y. Avidar, and the Commander of the Air Force, Aluf Dan Tolkowsky. One by one, to the applause of their beaming parents and fiancees, the young Israelis, who had come from both Western and Eastern Countries — France, Bulgaria, and Iraq were among the countries represented and the C.O. of the Base was born in South Africa — shook hands with the generals and marched smartly back to their places.

As they marched on the field, preceded by two formations of rifle-bearing cadets who are still in training, a flight of training planes flew in formation over the field, and when the ceremony concluded, the planes flew back again right on the dot.

One of the most popular graduates was a neighbourhood boy, born in the nearby village, who caught "the flying bug" by his physical nearness to the field and the pilots. Another was a flight mechanic who got the urge to fly while tinkering with the engines.

Aluf Tolkowsky told the new pilots: "I hope you have learnt not only how to fly a plane, but how to use this weapon to its best advantage in war. The instruments entrusted to you are valuable. I trust you know how to exploit them to the utmost and that you do not consider your studies over."

Aluf Avidar said that every wing-awarding ceremony is a festival for the Army which needs this strengthening. "But it is not enough to increase the number of planes and pilots. We cannot compete with the enemy in numbers, but we must and can surpass them in quality."

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RICHER FLAVOUR THROUGH MACEDONIAN TOBACCO

Social & Personal

Mr. Martin Panzer, of the National Office of the United Jewish Appeal, and Mrs. Panzer visited the Jewish Agency in Jerusalem on Sunday and were received by Mr. Berl Locker, Chairman of the Executive.

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The Minister of Labour has appointed Mr. Zeev Ordinantz as Acting Chief Labour Inspector.

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ARRIVALS

Mr. Yisrael Dines, member of the Zionist General Council and delegate to the Rio de Janeiro conference of the Ihud Haolami, by El Al.

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BIRTH

ARAZI — To Georgette and Tuvia Arazi, councillor at the Israel Legation in Buenos Aires, a son — Michael Eliyahu.

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MARRIAGE

GREENBERG—SIMON

The wedding took place yesterday in Jerusalem of Miss Chana Simon to Mr. Daniel Asher Greenberg. The former Miss Simon, a student in biology at the Hebrew University, is the daughter of Professor Ernst Simon, head of the Department of Higher and Secondary Education of the Hebrew University, and Mrs. Simon. Mr. Greenberg, a physics student, is the son of Professor Simon Greenberg, Vice-President of the Jewish Theological Seminary of New York, and Mrs. Greenberg. Rabbi Dr. A. Philipp officiated. Among the many guests were: Mr. Pinhas Rosen, Minister of Justice; Dr. Moshe Smoira, former President of the Supreme Court; Justices S. Agranat and A. Witkon; Mr. Haim Cohen, the Attorney-General; Professor Benjamin Mazar, President of the Hebrew University; and Dr. S. Moses, the State Comptroller.

Where to go.

JERUSALEM

★ **Lecture:** —
"Craftmanship at the Dawn of History," Mr. J. Kaplan, Director of the Tel Aviv Archaeological Museum. Bezalel Museum, 8.30 p.m.

★ **Exhibitions:**—
Craftsmanship at the Dawn of History, exhibition of Chalcolithic vessels, water colours and drawings by Jules Pascin. Exhibit of the month: Pottery, watercolours by Paul Klee, display of three panels "Views of Old Jerusalem," National Museum Bezalel, 9-1, 3-6 p.m.

Paintings, Sculpture and Applied Art by Zahara, Louise, and Bezalel Schatz, and gallery of Jerusalem Artists, Jerusalem Artists' House, 10-1, 4-7 p.m.

"Conquest of the Desert" permanent exhibition at the former Israel pavilion of the International "Conquest of the Desert" exhibition, 10-1, 4-6 p.m.

Department of Antiquities. Special exhibition chalcolithic objects from Tel Abu Matar, near Beersheba, including various finds from a Chalcolithic and Middle Bronze mass tomb near Tell Assawir. Rehov Shlomo Hamelech. Open 9-1, 4-6.

★ **Library:**—
American Library and Reading Room, U.S. Consulate, Mamilla Rd. Entrance free, 9-12, 3-6 p.m.

★ **Tours:**—
Hebrew University conducted tour, new administration building, King George Ave., opposite Terra Sancta, 10 a.m.

★ **Film Shows:**—
Keren Hayesod, for tourists and visitors, 11.30 a.m.

TEL AVIV

★ **Concert:** —
Gramophone records, Gan Ha'Atzmaut, 8.45.

★ **Exhibitions:**—
Paintings by Mane Katz, also "Modern French Art", exhibition of colour reproductions, Museum, 10-1, 4-7 p.m.

★ **Theatre:**—
Chamber Theatre, summer recess until Sept. 6, 1954.

HAIFA

★ **Exhibitions:**—
Modern Mexican Graphic, Municipal Museum of Modern Art, Town Hall, 10-1, 4-8 p.m.

★ **Gramophone Recital:**—
Brahms Piano Concerto No. 2 (Rudolph Serkin) and Symphony No. 4 (Bruno Walter) —Wiso Garden, 8 Reh. Melchett — 8 p.m.

★ **Concert:**—
Violin Recital — Mamlok — Ginat-Or Cafe, 3 Reh. Haim — 8.30 p.m.

★ **Theatre:**—
Habimah, "The Crucible," (for subscribers), Orah Theatre, 8.30 p.m.

RAMAT GAN

★ **Theatre:**—
Do-Re-Mi, "Silva, The Czardas Princess," Rama Hall, 8.30 p.m.

LAW REPORT

THE JERUSALEM POST

August 24, 1954

In the Supreme Court Sitting as Court of Civil Appeal

Before: Justices Olshan (President), Cheshin (Deputy President) Berenson.

Reuben Bar-On, Appellant, v. Y. and R. Topol, Respondents

(C.A.76/51)

CONTRACT BREAKER MUST FORFEIT INSTALMENTS ALREADY PAID

The Supreme Court reversed a majority decision of the Tel Aviv District Court, delivered on February 28, 1951. (C.A.192/49).

The appellant, Reuben Bar-On, sold a plot of land in Tel Nof to the respondents, the Topols, in 1934, for the sum of LP.39, to be paid off in monthly instalments over a period of two years. One of the clauses in the contract of sale stipulated that if the buyers did not pay two successive instalments, then the contract would be regarded as cancelled and instalments already paid would be forfeited to the seller as liquidated damages.

The Topols paid LP.27.500 of the required sum and then ceased payments. The plot was, therefore, not transferred to them at the due date, but Mr. Bar-On expressed his readiness to complete the transaction as soon as the residue of the money was paid. In 1939, three years after the last instalment should have been paid and while the contract had, nevertheless, still not been cancelled by Mr. Bar-On, the plot in question was requisitioned by the Mandatory Government for the purposes of constructing an air-field.

In 1945, the Topols sued Mr. Bar-On in the Magistrate's Court, Tel Aviv, for the return of the LP.27.500 which they had already paid for the land, on the grounds that the terms of the contract had not been carried out by both sides and the contract was, therefore, cancelled. The Magistrate, while holding that the Topols had deliberately failed to carry out their part of the agreement, nevertheless decided that the forfeiture clause was a penalty clause and therefore not legally enforceable. He ordered Mr. Bar-On to return the LP.27.500.

In an appeal against this decision before the Tel Aviv District Court, the majority, Judges Sussman and Schall, agreed with the Magistrate's Court that the respondents were entitled to restitution since the clause in the contract was in the nature of a penalty and did not merely refer to liquidated damages. Judge Zundelevitz, in a minority judgment, agreed that there was a penalty clause in the contract but held that in the circumstances of the case the respondents were not entitled to equitable relief and should therefore forfeit their instalments.

Appeal in Supreme Court

The Supreme Court, in a judgment delivered by Justice Cheshin, first dealt with the question brought up by Judge Sussman in his judgment in the District Court, as to whether the Topols could have based their original claim for the restitution of their instalments on the plea of "money had and received."

The Court, after referring to a series of English precedents, emphasized the difference between contracts which contained a forfeiture clause and those which did not, pointing out that, whereas in the former case the choice lay with the seller, whether to restore the instalments paid and then sue for breach of contract, or whether to keep the instalments in settlement of the damages suffered by him. In the latter case a buyer who breaks his part of the contract is never granted restitution of his instalments in the courts of law, as opposed to the courts of equity. His only remedy lay in an appeal to the courts of equity to release him from the forfeiture clause. The reason for this, continued the Court, was clear: when a contract contains a forfeiture clause there is no place for a quasi contractual plea (such as "money had and received") as long as this clause exists. The only way in which the buyer could obtain release from this forfeiture clause was by seeking a remedy in equity and not at law.

The Court went on to declare that while this differentiation might be considered a formality, particularly in Israel where there never were two kinds of courts — courts of law and courts of equity — nevertheless it was well to remember that the courts had recourse to different considerations according to whether the claim was one for a legal remedy or one for an equitable remedy.

In short, the Supreme Court held that the District Court, in its majority judgment, had not been correct in holding that the Topols could have based their claim for restitution on "money had and received." They should, at least, have asked, alternatively to be released from the terms of the forfeiture clause, and, only incidental to that release, to have their instalments restored to them.

The Supreme Court, however, did not choose to base the fate of the appeal on its conclusions with regard to the procedural shortcomings in the pleading of the respondents, but turned its attention to the points of dispute between the litigants as detailed in the statements of both parties.

After dismissing the argument of the appellant's Counsel, Mr. Gezelter, that there could be no claim for restitution as long as the buyers did not show their readiness to complete their part of the contract, the Court went on to consider the circumstances in which buyers, who behaved as did the respondents in the present case, were nevertheless entitled to restitution.

After analyzing the two opposing opinions which emerged from Mandatory judgments — that of the sacrosanctity of contracts and that which considered the buyer entitled to restitution despite a forfeiture clause in a contract—the Court held that, in its opinion, the two rules laid down by Justice Agranat in C.A. 25/49 (Psakim 4/133) with the addition of a third rule, as defined by them, gave the basis for deciding when a purchaser who breaks his part of the contract is entitled to recover the money which he has already spent in part payment of the price of his purchase.

These three rules are: 1. The Court must establish the intention of the parties as evinced by the terms of the contract; 2. When the contract does not define the fate of money which has been paid in part payment of the purchase price, then the seller has the option of either choosing to take this money in settlement of his claims for damages or of cancelling the contract, returning the money and claiming damages for breach of contract; 3. in deciding whether to grant the purchaser restitution or not the court should take into account all the circumstances of the case.

These rules should also be applied when considering questions of unjust enrichment — one of the main arguments used by the respondents' attorney, Mr. Hochman, who claimed that it was neither right nor logical that one man should enrich himself at the expense of another.

In view of the circumstances of the case — the fact that the respondents had deliberately broken their part of the contract, that the appellant had, nevertheless, not cancelled the contract as he was entitled to do, that the respondents had wasted years before suing for return of their money, that the respondents, and not the appellant, had taken the initiative in bringing the matter up before the courts and that the appellant had received the money legally and not as a result of fraud or coercion — the Court felt it was specious to claim unjust enrichment on the part of the appellant.

In addition, in view of the above circumstances, the Court held that Judge Zundelevitz had been correct in deciding that despite the penalty clause in the contract, the circumstances had been such as not to entitle the respondents to the remedy which they claimed.

The appeal was therefore allowed and the appellant granted IL.50 costs and the return of the costs which he had paid to the respondents in the two previous cases.

Judgment delivered on July 29, 1954.

For the Appellant: Mr. E. Gezelter.

For the Respondents: Mr. M. Hochman.

Bromine Extraction

An application for a patent to produce bromine by a method worked out by Dr. R. Bloch, of the Dead Sea Works, and Dr. F. Yaron, of the Research Council, has been filed with the Registrar's Division of the Ministry of Justice.

It is hoped that the method will be commercially valuable. Work on the method was started under the sponsorship of the Dead Sea Works and was later taken over by the Research Council.

Press Review:

Pro and Con On 4% Clause

"Davar" (Histadrut) welcomes Mapai's decision not to press for the realization of the four percent clause at present. The paper believes that most people know it now, including many General Zionists, and that if this party continues nevertheless to insist on the agreement it is merely using it as a pretext to get rid of collective government responsibility. The paper says that a coalition without such responsibility is a *contradictio in adjecto* and cannot continue even for a few weeks, and hopes that the talks between the parties will clarify this.

"Haboker" (General Zionists) counters with the thesis that the "four percent clause" is only a pretext for Mapai to break the coalition and to establish some working class government with the help of the Mapam minority. The paper attacks the "Macchiavellian theory" of Mapai according to which agreements have to be carried out only when circumstances make it advisable, lists several other agreements which it says that Mapai has not kept and approvingly quotes the Prime Minister's statement to his party comrades that Mapai will not be able to do away with inter-party agreements if it wants coalition partners in the future. The paper concludes by saying that nothing can make worse election propaganda for Mapai than the perpetual violation of agreements.

Yarkon Campaign

"Ha'aretz" (Independent) continues its Yarkon campaign and regrets that Mapai spokesmen have attacked the paper rather than collaborate against the dangers the drained-off river will present to the health of many thousands of Tel Aviv residents.

"Herut" accuses the Jerusalem police of neglect in the Dr. Bension murder case for refusing to seize firearms in possession of the assailant despite the fact that he had threatened to kill the landlord and that the police had been asked to intervene by the latter's family.

"Hatzofe" (World Mizrahi Union) is particularly concerned about the revelation that murderers can be had for hire.

"Zmanim" (Progressive) comments on several foreign policy statements made over the weekend and says that the Prime Minister's categorical denial of the rumor that we would grant military bases to the British in Israel does not preclude military cooperation in other ways, a possibility which has been noted recently by political observers. "Al Hamishmar" (Mapam) notes that America's re-assurances to us are worthless in the light of her declared policy to go on arming the Arabs.

Goddess Found in Nahariya

This year's excavations at Nahariya have enriched the charming seaside resort with an ancient monument of unique attraction. In 1947, Dr. Ben-Dor, on behalf of the Mandatory Antiquities Department, excavated a rectangular stone-built sanctuary on the sea-shore of Nahariya and came to the conclusion that it was a shrine of Astarte in use during the 18th-17th centuries B.C.E.

Incidental finds of curiously shaped pottery now caused the Antiquities Department to clear the surroundings of the sanctuary.

The resumption of excavations was made possible by the Ministry of Labour, which provided 1,000 work days, and by the close cooperation of the Nahariya Local Council. The six week campaign during June and July 1954 was directed by Mr. Moshe Dothan, Acting Deputy Director of the Dept. of Antiquities, with the assistance of Dr. Helen Kantor of the Oriental Institute of the University of Chicago, Messrs. Rachmani and Khoury of the Department, and Nahariya's local archaeologists Messrs. Algavish, Stiel and Kempinsky.

The finds are now on show at the Department of Antiquities, Rehov Shlomo Hamelech, Jerusalem.

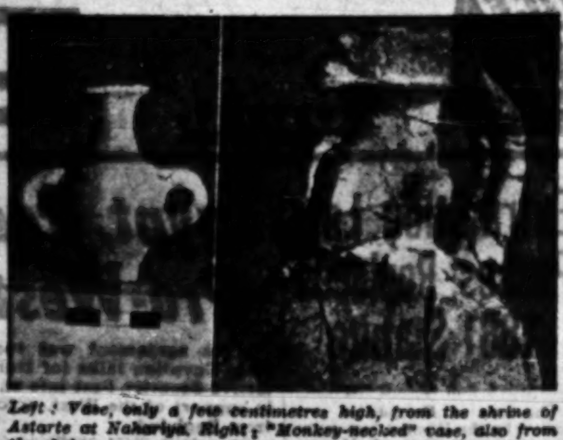
This year's excavations, which are to be continued, have proved the temple of Nahariya to be an ancient pilgrim's site of the charming goddess Astarte, visited by worshippers from all the surrounding villages, a shrine of "Our Lady of Nahariya," as it would be called in Europe today.

South of the temple the excavators found a large semi-circular structure and another smaller one of the same shape, the area of both of which abounded with tiny votive offerings. One could assume these semi-circular niches to symbolize the shell of "Astarte of the Sea," reminiscent of the "Canopus Niches" of the eastern sanctuaries of Aphrodite.

Miniature Vessels

The votive gifts were mostly miniature vessels of various shapes, incense burners and, most common, units of seven tiny cups, the so-called lamps. There were, moreover, all kinds of beads, dove and animal clay figurines. A curious jug has a monkey, covering his eyes, sitting on the spout. Two pots, hidden under stones, contained a modest treasure of silver plaques of Astarte, holding her breasts or extending her arms, tiny silver and gold sheets, and a ring with an Egyptian scarab.

This is the second authentic Canaanite "High Place" or "Bama" ever found in this country, and it has many features in common with the other at Megiddo. Both are dated to the Hyksos period (1780 to 1550 B.C.E.) and give evidence of the Northern Hyksos culture. Nahariya clearly belonged to the cultural sphere of what, much later, was called Phoenicia.



Left: Vase, only a few centimetres high, from the shrine of Astarte at Nahariya. Right: "Monkey-necked" vase, also from the shrine. Photo by Bieberkraut.

Objects of a closely related culture have been discovered at Byblos and Ugarit. At Byblos, for example, "monkey jugs" were found, on which the monkeys hold their paws in front of mouth and eyes, thus giving a very early representation of the proverbial admonition. The so-called lamps are extremely interesting, their seven cups represent the number sacred to Semitic religions. Real lamps with seven wicks, moreover, were found at Nahariya, the earliest known ancestors of the seven-branched Jewish lamp.

One must look forward to the continuation of the Nahariya excavations. We hope that the ruins will finally be framed by a lovely public garden to accommodate holiday makers who feel inclined to visit the ancient temple of the Goddess of Love on a moon-lit night after closing time at the "Colibri." We can imagine, moreover, finding very soon copies of the "Seven-Cup Lamps" and the decorative Astarte plaques as souvenirs in Nahariya's shops and one of our ballet troupes reconstructing the temple dances on the beach in front of the ancient shrine of "Our Lady of Nahariya." *Th.F.M.*

AT THE CINEMA

THREE very different pictures on three Jerusalem screens this week all deal with the subject of the home. A hearth for himself and for the young wife whom he has brought from Italy is the one dream of a young Brooklyn bricklayer (Sam Wanamaker) in "Give Us This Day" (Or-Gil), a British production based on Pietro di Donato's novel, "Christ in Concrete." The story of the hero's painstaking struggle and his tragic end is excellently directed by Edward Dmytryk, and its first-rate cast includes Lea Padovani, Lea Colleano and Charles Goldner.

Pleasant Surprise

"AFFAIR With a Stranger," (Tel-Or), a refreshing and pleasant surprise, tells what happens to a happy couple when rumours of divorce are spread about it. Though there are some melodramatic incidents, the story sparkles with tempo and stardust. Victor Mature is much better than usual, and Jane Darwell is splendid. With Jean Simmons, Marylo Tavola, and Monica Lewis.

Red Skelton Farce

"HALF A Hero" (Eden) is an amusing Red Skelton farce about a magazine rewriter who gets himself a comfortable home unbeknownst to his austerity-minded boss (Charles Dingle) and then is faced with obeying him or antagonizing his neighbours. Jean Hagen is the ideal wife.

FRANGO

JERUSALEM CINEMAS

at 5.30, 7.15 and 9.15 p.m.

- **ARNON:** Painting the Clouds with Sunshine.
- **EDEN:** Half a Hero.
- **EDISON:** It Came from Outer Space.
- **ORGIL:** Give us this Day.
- **ORION:** From Here to Eternity, 3rd week.
- **ORNA:** Island in the Sky.
- **STUDIO:** Beware of Pity.
- **ZION:** Botany Bay.
- **TEL OR:** Affair with a Stranger.

ON THE AIR

JERUSALEM: 407 M.; HAIFA: 369 M.; TEL AVIV: 26.3, 48.9 & 325 M.

FIRST PROGRAMME

News: Hebrew: 7 a.m., 1.30, 6.00, 6.15, 8.30 and 11.00 p.m. Arabic Programme (including News): 6 a.m., 2.15 & 6.30 p.m.

6.30 a.m. Service. 6.35 Exercise. 6.45 Musical Clock (R). 7.15 Melodies (R). 8.30 Close Down.

12.00 N. Music at Noon. 12.30 Housewives' Corner. 12.50 Light Music (R). 1.50 Break for Music (R). 3.00 Close Down.

4.00 p.m. Programme for Hospitals. 4.35 Light Music (R). 5.05 Agricultural Programme. 5.15 Language Corner. 5.30 Children's Hour. 7.00 Haifa Programme. 7.35 Sports. 7.45 Talk. 8.00 Light Music (R). 8.45 Newsreel. 9.00 Kol Yisrael Orchestra, Israel Police Band, Kol Zion Choir, Heinz Rehfuss & Soloist, Conductor: George Singer: Opera "David" by Armand Lunel. Music by Darius Milhaud. 10.35 Requests (R). 11.05 Close Down.

SECOND PROGRAMME

460, 228, 218, 48.9 M.

English News: 1.45 p.m., 10.15 p.m. French: News: 2.00 p.m. IMMIGRANTS HOUR (26.3, 34.9 & 469 M.): 7.15 p.m. Programme for Yemenites. French: 7.30 p.m. Ladino: 8.00 p.m. Yiddish: 8.45 p.m.

KOL ZION LAGOLA: (29.2 M.): 12.00 p.m. News. 12.10 "This Also Happened" 12.25 On behalf of Israel 12.30 The Music of the old Country.

ARMY PROGRAMME (44.6, 216, 229 & 235 M.): 6.30 Opening. 6.35 "Bow and Arrow" 7.30 Light Music. 7.45 Noah's Ark. 8.30 News. 8.40 Light Music. 9.15 Dance Music. 10.00 Close Down.

B.B.C. HEBREW BROADCASTS: (24.80, 24.92, 30.53 & 30.90 M.): 7.30-8.00 p.m. News. "This England..." Arts Chronicle.

VOICE OF AMERICA: English Broadcasts: (16.9, 19.5, 31.4 M.): 5.00-5.30 p.m. Repeated at 8.00-8.30 p.m. on 25.6 & 31.3 M.

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Helping the Blind To Help Themselves

Jerusalem Post Reporter.

"Help the blind to help themselves," is the call of Dr. Ludwig Cohn, a life-long supporter of projects to rehabilitate the handicapped. Yesterday Dr. Cohn inaugurated the Jerusalem branch of the Association for the Blind with a plea for public co-operation in employing sightless workers and bringing them into the community.

Dr. Cohn, himself blind since early childhood, proved in Germany and afterwards in Holland that almost any factory could find room for at least one sightless operative. He noted that only a few factories here, among them Ata and Bejerano, had done their share. Of nine telephonists trained in a special course by the Ministry of Labour, only five had received work, because the public did not realize that such a handicap could be conquered.

Dr. Cohn praised the voluntary transcription of books into Hebrew Braille started by the Association in Natanya, and of late begun in the three cities, too. The Natanya Braille library will soon be complemented by a record collection for lending out.

EMERGENCY PHARMACIES

JERUSALEM: Herzl, Rehov Jaffa, 5089. Zikhron Moshe, near Edison 4191.
TEL AVIV: Merape, 77 Allenby, 3487, Frankel 28 King George, 5721. Amami, 34 Ben Yehuda, 23023. Ahvah, 165 Dizengoff, 24717. Maccabi, New Maccabi Qtr., 67387.
JAFFA: Noga, near Noga Cinema, 81696.
RAMAT GAN: Lifshitz, 19 Herzl.
GIVATAYIM: Mamlock, Sch. Borochov.
HAIFA: Manor, German Colony, 4733. Balfour, 1 Massada, 2351.
KIRYAT MOTZKIN: Motzkin, 7303.

EMERGENCY PHYSICIANS

JERUSALEM: Dr. De Fries, 9 Alharizi, 61921. Dr. Hartoch, Rehov Negba, Katamon, 4334.
TEL AVIV: Dr. Shochet, 1 Syrkin, 25942. Dr. Sacher, 165 Dizengoff, 26888. Dr. Griffel, 5 Ben Yehuda, 66496. **JAFFA:** Dr. Alkalai, 163 Rehov 4.
HAIFA: Dr. Sherman, 3 Haneviim, 2434. Dr. Rosenbaum, 21 Moria, 3816. Dr. Landau, 3 Mahanayim, Orli Cinema Bldg., 6532.

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Fishermen Oppose Rations of Fillet

Jerusalem Post Reporter

HAIFA, Monday. — The Fishermen's Union has sent a strong protest to the Commerce Ministry against last week's distribution of fish fillet, of which the Union had not been informed in advance, despite the recent establishment of a coordination body on fish marketing problems.

The Union spokesman told *The Jerusalem Post* here today that the ration immediately affected fresh fish sales, and last Friday, 15 tons of fresh fish remained unsold in Tnuva stores, the first time this has happened for some months.

He said that fishmongers refused to buy fresh fish when fillet was available, because many sold the fillet at much more than the official price, making easy profits.

Local fish and carp breeders alone could market 1,000 tons of carps next month, while the sea and Kinneret fishermen would bring in another 300 tons at least, enough to supply all local needs. The 150-gramme fillet ration totalled 250 tons for the whole country, or a month's work for the sea fishermen.

The spokesman said that the fishermen are selling their catches at from 300 pruta to IL.1.100 per kilo, but that 60% of their fish realizes about 700 pruta per kilo. With a reasonable profit for fishmongers, the fish should reach the public at no more than 900 pruta per kilo.

HEVRAT OVDIM, the Histadrut holding company, is to invest in industrial and cultural projects in Safad with a view to boosting the town's lagging economy.

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Amateur Boxers For US Trip

Michael Freilag, former Maccabi boxing trainer who spent three months in America, plans to bring an amateur Israel boxing team to America. He worked out plans with Daniel J. Ferris, Secretary-Treasurer of the National Amateur Athletic Union. The team will be scheduled for bouts in many of the large cities of America.

The wrestler, Henry Wittenberg, who won a gold medal at the London Olympics of 1948 and the Helsinki Games of 1952, has retired as an active Olympic participant and will not contest for a place on the 1956 Melbourne Olympic Team.

Pre-Maccabiah Team

The idea of the U.S. Committee for Sports in Israel to run a track and field meet at Madison Square Garden every June is a mighty good one. Jewish organizations would be in a position to raise funds through the sale of tickets.

Guess-work would no longer be needed to select the representative athletes for the World Maccabiah held in Israel every four years. Colonel Harry Henshel, President of the U.S. Committee for Sports in Israel, is heartily behind this novelty track and field carnival. *(B.A.)*

Mexico Win In Davis Cup

MEXICO CITY, Monday (UP). — Veteran Gustavo Palafox and young Mario Llamas won the concluding pair of singles matches yesterday to give Mexico a 4-1 triumph over Canada in the semi-final round of North American zone Davis Cup tennis playoffs. The victory qualified the Mexican team to meet the U.S. for the zone championship.

Iron Curtain Bids To Join I.A.A.F.

BERNE, Monday (Reuter). — East Germany and China made a bid for admission to the International Amateur Athletic Federation here yesterday.

Admission of the All China Athletic Association is expected to be agreed, but it is thought that East Germany's application will fail because a joint organization representing both East and West Germany is already a member.

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Important Notice to South Africans

The SOUTH AFRICAN ZIONIST FEDERATION has been advised to remind South African Nationals of the following:—

In terms of the Nationality Act of 1949, NATURALISED South Africans, who desire to retain their South African nationality, are required to register annually at the British Consulate and sign in duplicate a specific declaration of their intention to retain their nationality.

All persons concerned, who have not yet signed the declaration for the current year, are urged to do so not later than the anniversary of the act, September 2, 1954, at the nearest British Consulate, and thereafter annually.

South African nationals by BIRTH are not required to sign the declaration, but are nevertheless urged to register annually.

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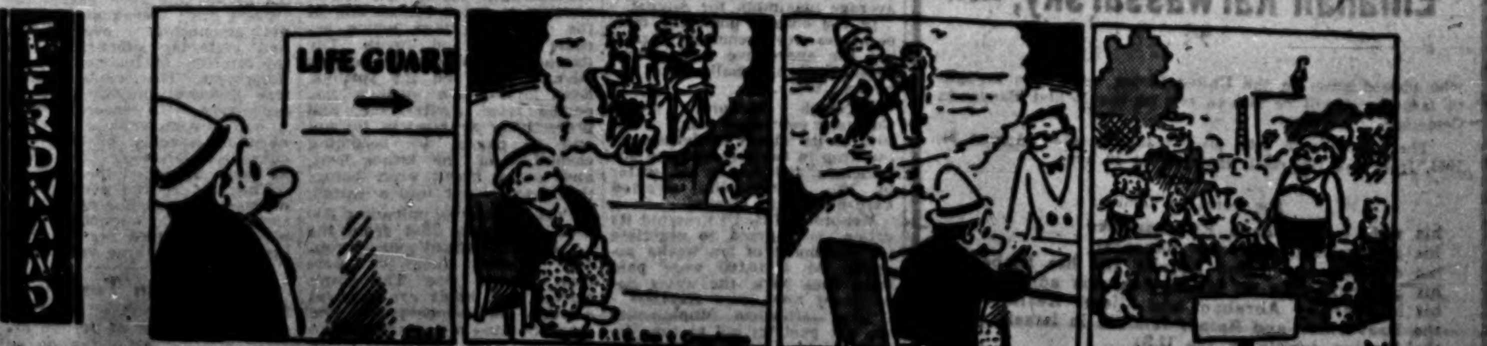

Today's Post Bag

THE WEATHER

	*A	B	C	D
Mt. Cana'an	65	24	22	31
Tiberias	—	28	36	39
Haifa Port	62	27	22	30
Natanya	60	24	23	31
Tel Aviv North	54	22	22	32
Tel Aviv Port	65	25	20	30
Lydda Airport	48	22	24	33
Jerusalem	52	22	20	31
Beersheba	29	20	35	36
Eilat	26	30	44	42

*A) Humidity at 8 p.m. B) Minimum temp. C) Maximum yesterday D) Maximum temp expected today

• • •

A GROUP of Cochin immigrants, 28 adults and 17 children, arrived on Sunday night by El Al from Cyprus. They were received by officials of the Jewish Agency's Absorption Department and were taken to the Sha'ar Ha'aliya immigration camp.

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TEN-YEAR-OLD Rahel Ze'ev was seriously injured when she was knocked down by a private car at the corner of Rehov George and Rehov Agrippas yesterday. A WOMAN and a child were stung by scorpions in Jerusalem yesterday. They were taken by the Magen David Adom for treatment to Ziv Hospital.

• • •

TWO THEFTS together amounting to nearly IL.40,000 in cash and jewellery were carried out in Tel Aviv on Sunday night. The sum of IL.1,950 in cash was taken from Yehuda Israeli, 71 Rehov Dizengoff, while IL.1,750 in cash and jewellery were stolen from Mr. Levi Kaposta, 9 Rehov Azaryahu.

• • •

OROT, A NEW dramatic group, has been formed in Jerusalem under the leadership of Mrs. Fania Liuvitz, of "Habimah," who has come to the capital especially to train the group.

US Labour Leaders At Knesset Session

The seven representatives of the American Federation of Labour and the Congress of Industrial Organizations at present touring the country as guests of the Histadrut, visited the Knesset yesterday, where they were received by the Speaker, Mr. Y. Sprinzak.

Mr. and Mrs. Sprinzak later gave a dinner for the delegation. Also present were the Deputy Speaker, Mr. Z. Shafer, Members of the Knesset and representatives of the Histadrut.

Mr. Sprinzak thanked the visitors for the great help given the State and the Israel workers' movement by the American trade union movement. On behalf of the delegation, Mr. Phil Hanna and Mr. William Snoots stressed in their reply that they felt themselves obliged to help "the new State which is being built in a democratic manner."

MK's Leave For Vienna Parley

TEL AVIV, Monday. — The Israel delegation to the conference of the Inter-Parliamentary Union opening in Vienna on Friday left today by El Al.

The group is led by Mr. Ya'acov Shapiro, M.K., and includes Dr. M. Nurock, M.K.; Dr. B. Avniel, M.K.; Mr. Y.L. Klebanov, M.K.; Dr. H. Rubin, M.K., and the Clerk of the Knesset, Mr. Moshe Rosetti.

Mr. Shapiro said that the Israel delegation attached particular importance to this conference, as many of the delegations from other countries would be among their national delegations to the coming sessions of the U.N. General Assembly.

Drowned Boy Identified

HAIFA, Monday. — The boy who drowned at the Hapoel swimming pool here yesterday has now been identified as Mordechai Yablotchnik, 11, of Shikun Penton, Kiryat Motzkin.

Police investigating the case of the clothes of a boy estimated at between 10 and 12 years old which were left unclaimed in the Carmel Beach dressing room on Saturday, now believe that the boy did not drown, but went home in his bathing trunks. They feel that if the boy had been lost, his family would have contacted them by now.

Tchertok to Administer Information Programme

Mr. David K. Tchertok has been appointed Director of Information Administration in the Information and Civic Education Services which are headed by Mr. Zalman Aranne, Minister without Portfolio, *The Jerusalem Post* learns.

Mr. Tchertok is to specialize in the audio-visual branch which prepares films explaining the functions and tasks of the various Government branches. The films are to be shown principally to new immigrants in a campaign to integrate them fully into the daily life of the country.

Formerly with the Overseas Department of the Jewish National Fund, Mr. Tchertok recently returned from a two-year mission to the U.S. for the Fund.

RATION NEWS

TEL AVIV AND SOUTHERN DISTRICT: Meal: 600 grs. for infants and children, cards Aleph and Bet. Temp. coupon 22, for others without coupon. Fresh meat: 500 grs. for invalids, Het Gimmel 7, 550 pruta. White flour: 750 grs., Lamed 6, Temp. 14, half yearly 5 184 pruta.

HAIFA AND NORTHERN DISTRICT: Fillet: 150 grs. Lamed 11, half-yearly 12, Temp. 28, Manual workers 400 grs. Coupon 74. Frozen meat: for invalids, Het Gimmel 8, 500 grs. beef or 700 gr. mutton.

163 Arrive From Morocco, Tunisia

Jerusalem Post Correspondent

HAIFA, Monday. — The second large transport of immigrants from North Africa arrived here in the s.s. Artsa this morning. The transport included 163 newcomers, 60 of them from Tunisia and the rest from Morocco.

The average age was unusually low and there were many children.

The Jewish Agency Settlement Department made a special effort for the smooth carrying-out of its new "ship to farm" plan, and, by this afternoon, had succeeded in sending 25 families, of 109 persons, to agricultural settlements without any hitch. Twelve families of 68 persons were sent to Revaya in the Beisan Valley, where 50 families, who came on the s.s. Jerusalem ten days ago, have settled; 26 persons from Tunis were sent to Shalva, in the Negev, also an Hapoel Hamizrahi moshav, and 13 persons were sent to various kibbutzim.

Of the rest, 24 persons went to join relatives in various parts of the country and seven families, of 30 persons, were sent to the Sha'ar Ha'aliya reception camp.

Special Preparations

Special preparations were made to receive the newcomers at Revaya, where each family was given a house and 16 day's supply of food.

As from tomorrow, the men will be able to start work for the Government Agency employment centre. In the houses, each family received beds, mattresses and blankets; a kerosene cooker, lantern and a can of kerosene; a table and four chairs and a package of kitchen utensils which included four plates, four cups, cutlery, a water jug, two saucepans and a vegetable grater, all from the Jewish Agency.

The Jewish Agency announced in Tel Aviv this evening that today's was the first immigrant transport under the "classification board" system whereby representatives of the Agency go to the port of embarkation to classify newcomers during the voyage.

Another transport with about 300 immigrants from North Africa is expected in the s.s. Negba on Thursday.

Josephthal Reports On Reception Plans

A report on preparations for the reception and integration of immigrants from North Africa was given to the Jewish Agency Executive yesterday in Jerusalem by Dr. Giora Josephthal, head of the Absorption Department. Mr. Berl Locker, Chairman of the Executive, presided.

Mr. Eliahu Dobkin, head of the Administration, Youth and Hehalutz Departments, reported on discussions that have taken place in regard to grading and salaries of Agency employees. It was decided that the heads of the Administration Department would meet with the heads of the workers' organization for further negotiations.

Infirm, Aged Protest At Pardess Hanna

HADERA, Monday. — About 300 invalids and elderly persons from immigrant hostels in Pardess Hanna demonstrated before the Welfare Office in the camp this morning. Police in large numbers were summoned, but there were no incidents.

A demonstrators' delegation was received by the welfare management through whom they communicated with the Ministry of Welfare in Jerusalem.

With a demand for increased relief allowances and employment suitable to their physical disability, several hundred invalid immigrants and their children marched from one section of Pardess Hanna ma'bara to another, carrying banners inscribed "Bread and permanent housing for our children."

Fearing a violent demonstration, the police posted guards outside local welfare and Jewish Agency offices, and patrolled the camp which holds 1,200 families, all dependant on government relief funds.

The Ministry of Social Welfare has agreed to see a deputation tomorrow in Jerusalem. A Ministry officials told *The Jerusalem Post* in Jerusalem that Pardess Hanna was gradually being emptied of its unfortunate inmates, as fast as accommodation and work could be found. Almost 500 families recently left the camp, and receive a doubled subsidy, in some cases IL.80 per four-member family monthly.

IL.1 Extra

Starting this month, each person at Pardess Hannah ma'bara will get IL.1 extra monthly to cover the increased cost of staple foods.

Mr. M. Barsella, Director-General of the Ministry, disclosed that the Treasury had not transferred the Ministry's budget for the past five months, totalling IL.800,000. This meant delay in distributing relief monies to social cases, and had caused much hardship among local authorities. The Treasury has not yet sanctioned an additional IL.700,000 to enable payment of increased dole because of higher food costs.

THE REMAINS OF THE LATE

PINHAS M. GINGOLD

will arrive for burial in the soil of Israel. The funeral will leave the Vaad Hapoel Building on Wednesday, August 25, at 4 p.m. Burial will be in Ra'anana. Buses will be available.

With great sorrow we mourn the untimely death of our dear

Rabbi Dr. Samuel S. Bension

ז"ל

and extend our profound sympathy to the bereaved family.

Tenants of Dr. Bension House No. 2, Jerusalem.

Regional Defence Proves Its Worth in Face of Heavy Odds

By SRAYA SHAPIRO
Jerusalem Post Military Reporter

THE BLUE COUNTRY, Monday. — There is a controversy raging between Blue and Green officers regarding the causes of last night's fall of "X," the large kibbutz which had been the protagonist of regional defence.

The Greens took possession of the kibbutz in the early hours of the morning, after a series of "blood-draining attacks" that had lasted almost through the night. But every Blue officer would tell you that in fact "X" had not been captured; that the Greens were given a walk-over by the umpires without proper reason; that in real warfare the settlement would have withstood much longer even without help; and that, anyhow, an enemy which needed such huge forces to reduce a single settlement was not worth very much, provided his weapon strength were not increased.

The defence of "X" was, in fact, the battle between two schools of thought in military circles. There are the regional defence fans, who, citing Negba and the War of Independence, claim the defence of Israel should have been planned so as to form each settlement into a stronghold beyond which no enemy would pass.

Others say modern warfare has its own laws, which cannot be disregarded. The present manoeuvres are, indeed, a bit rough on regional defence. This has been done on purpose to test the settlers under most disadvantageous conditions. It already seems that the regional defence idea has gained some credit even among the most sceptic.

The defenders of "X" have done their utmost to prove their point. There was no end to the stratagems they used to delay the enemy. They put two tanks out of action. They sent a unit to the rear of an advancing group, then lit up the group and mowed it down. They were in the dining hall when the "tanks" cry was heard. There was nobody left in the room a minute later.

Men are the real issue in regional defence. Not everybody is a veteran of the War of Independence. Moreover, the lessons of the past are easily forgotten. The Army learns fast, and a young officer is likely to speak disparagingly on the arrangements made by a reserves' O.C.

There is also the question of discipline: a shopkeeper from the town does not like to spend nights in the open, far from any company. He murmurs, for it's hot on the barren hill, in his fox hole, and water is scarce because however many times a day the water tank arrives, thirst is never quenched.

A reserve formation is hardly a nice sight. They are not properly uniformed, and they do not care about shaving every morning. But they are here, among the blazing stones cleaning their rifles, doing duties.

"They will be all right in real war," a seasoned officer told me.

The Blue C.O. had a letter from his wife this morning. She had heard over the radio, she wrote, that the Greens had been successful. Could he not do something about it! The C.O. wrote back that he would.

President Ben-Zvi today visited Tal Shahar, a settlement of new immigrants in the manoeuvres area. Cabinet Ministers and members of the Knesset Foreign Affairs and Security Committee visited a Yemenite settlement this morning, and later called on Aluf Zvi Ayalon, O.C. Central Command. The Chief of Staff, Rav-Aluf Moshe Dayan; and the head of G-Branch, Aluf Y. Avidar, as well as other high-ranking officers, toured the manoeuvres area during the day. Foreign military attaches also visited part of the manoeuvres area today.

Wasted Yarkon Water To Benefit Negev

The first stage of the Yarkon River project is nearing realization, according to an article in "Hador." By next summer the flow of the Yarkon waters to the Northern Negev will begin. One hundred million cubic metres of water which, throughout the ages, flowed uselessly into the Mediterranean, will be diverted annually for agricultural development.

In the first stage of the scheme a 100-km. pipeline will be laid from the Rosh Ha'ayin wells as far as "somewhere in the Northern Negev." The pipes to be used in this line will be 66-inches in diameter, except for a short stretch of 48-inch pipe.

The pipes are all produced by the Yuval Gad pipe factory at Migdal Ashkelon.

In the first stage of the programme, only 100 million cubic metres will be diverted annually to the Negev out of the 200 million flowing uselessly into the sea.

The remainder of the water will be utilised with the building of a second pipeline from the Yarkon to the Negev which, according to present estimates, is due to be completed in 1956.

Three pumping stations equipped with 2,000 h.p. motors, some of which have already arrived in the country from the U.S. and are now being assembled, will be set up along the first pipeline at a distance of about 15 to 25 kms. from the sea.

Irrigation In Settlements

About half of the 100 million cubic metres will be used for irrigation in settlements on the way to the Negev, while the remainder will be used in the Negev itself.

About 1,000 workers are being employed on the preparation of the pipes and in the building of pumping stations. By next summer 200,000 dunams of land will be irrigated by Yarkon waters.

The Ministry of Finance is spending about IL.30m. on the scheme which is under the direction of engineers of Tahal Water Planning Authority and carried out by the Mekorot company.

It has also been decided to deal with the Tel Aviv sewage problem by the building of three big sewers, along the Yarkon, the seashore and the Wadi Musrara, by which the city's sewage is to be conveyed to a central station near the Reading power plant from where the water is to be conveyed to the Negev in the second pipeline. Until this larger project is completed sewage water are to be spilled into the sea through the sewer along the Yarkon.

Huleh Peat Being Dried For Settlements' Use

The 30,000 cubic metres of peat, which were recently dug up by a floating dredger in the Huleh marsh, are now being dried out in preparation for their use as organic fertiliser, Mr. E. Brachyahu, of the Jewish National Fund, told *The Jerusalem Post* yesterday.

The peat is to be used by several settlements in the Huleh area. The experimental use of the peat for this purpose is being supervized by Professor Shlomo Ravikovitch, Director of the Agricultural Research Station at Rehovot.

It is learned that several companies, including the Kabulan firm, are negotiating with the J.N.F. for the right to dig the peat to be used commercially on a national basis.

The use of peat as an organic fertilizer will free the country to a great extent from costly foreign currency imports.

DENTISTRY GIFT

A collection of 125 dental instruments for the Dentistry School of the Hebrew University was last week handed over to its Chairman, Dr. S. Lewin-Epstein. The collection is the gift of Dr. Anna Mintz, a Boston dentist, and the presentation was made by her husband, Mr. S. Hroshen, a Yiddish novelist and historian, on a visit to Israel.

Elath Lauds Work Of Anglo-Israel Groups

TEL AVIV, Monday. — Organisations like the Israel-British Commonwealth Association here and its sister association in London are of great importance in creating the solid foundations on which the work of the Ambassadors of the two countries is based, Mr. Eliahu Elath, Ambassador to Britain, said here today at a luncheon held by the local association in his honour. Mrs. Elath, the British Ambassador and Lady Evans were among the guests.

Mr. Elath paid tribute to Sir Francis Evans, who, he said, had done so much to cement the relations between the two countries during the formative years of the State. Mr. Elath felt sure that his successor would continue this policy.

The guest speaker was introduced by the Association's Chairman, Mr. M. Silverstone, and thanked by Mr. Aaron Wright.

Among the 200 guests at the Wizo restaurant were members of the British Embassy staff.

Mediaeval Pit Found in Safad

SAFAD, Monday.—A large water pit that appears to have been constructed in the Middle Ages was discovered here today when Public Works Department bulldozers were preparing a pitch on a sportsfield.

The field adjoins the old Turkish government buildings which are now occupied by Malben. A vault had been built above the pit, and its four-metre deep walls are lined with plaster made from ground clay brick vessels.

The pit was used either as a reservoir or for prisoners.

EGYPT

(Continued from Page 1)

suna and his assistant, Achmed Shukeiry. The dispute will be brought up at the Cairo meeting.

It was further reported that Shukeiry announced in Cairo that the Arab League had decided to liquidate its Permanent Palestine Committee.

Agree to Non-Aggression

LONDON, Monday (INA). — "The Times" reported in a Cairo dispatch today that Major Salah Salem, Minister of National Guidance, replying to a question whether acceptance of U.S. military aid would not cramp Egyptian freedom of action against Israel, said that Egypt would agree not to use such American arms for aggressive purposes.

But, he said, "If we are attacked, we will use all arms at our disposal, whether received as aid or not."

"The Times" report also said that Major Salem assured the Iraqi Premier that Egypt was not opposed to a union between any Arab states provided it accorded with the will of their peoples. The correspondent said there is talk now of revising the charter of the Arab League to facilitate such developments.

"It can be assumed," reported the correspondent, "that the Iraqi and Egyptian Ministers also agreed they did not want any serious trouble with Israel. It is reported that the Iraqi Premier, Nuri e-Said, will come to Cairo in the middle of September for further conversations."

THE HAIFA ORCHESTRA

Summer Night Concerts

Wednesday, Aug. 25—Gan Haem • Mt. Carmel

Thursday, Aug. 26 — "Hi[illegible]" NATHANYA

starting 9 p.m.

For details see posters.

British soldiers, some of the 2,000 that have left the Suez Canal Zone since the Anglo-Egyptian agreement, shake hands with Egyptian Army officers before leaving. Men of the Royal Marine Commando Units left Port Said in the cruiser Glasgow for Malta, and men of the 1st Battalion the South Lancashire Regiment, the 2nd Battalion the Parachute Regiment, embarked for Britain.
Express Photo

'Bension Was To Be Abducted, Not Slain'

One of the two alleged "hired" accomplices in the Bension murder case has claimed that the original plan regarding Dr. Samuel Bension called for abduction, not murder, it is learned from Jerusalem police sources. The two alleged accomplices are Abraham Sitton and Mordechai Gozlan. Shaul Nehemia, the leader, has confessed to the killing, police say.

The accomplice is quoted as saying that Dr. Bension was to be knocked unconscious by blows from a pistol butt. It is learned that a coil of rope, which would be used to bind Dr. Bension, was found in the car.

Police circles deny a report that they had failed to confiscate a pistol belonging to Nehemia after a complaint had been lodged with them that Nehemia had threatened Dr. Bension. The pistol was confiscated and although Nehemia demanded its return, it was not given back to him.

The condition of Mr. Gideon Rainer, son-in-law of Dr. Bension, who was wounded, is improving. (Itim)

Five Charged With Banishment Breach

TEL AVIV, Monday. — Five Arabs of Eilabon, in Galilee, were charged before the military court in Jaffa today with a breach of a banishment order of the Military Commander of the Galilee area.

The men were banished for 12 months from their village in the north a year ago and were ordered to reside near Jaffa and to report regularly to the police. They were today charged with non-compliance with this arrangement. Because of technical faults in the legal brief, the trial was postponed indefinitely.

As the year's banishment ended last Saturday, the defendants have already returned to their home village.

Missing Men Sought

A nation-wide search for two missing men is being undertaken by the police.

Moshe Halprin was last seen on April 1, 1954 leaving his parents home at 12 Rehov Shivat Zion in Tel Aviv. He is 26-years-old and 167 centimetres tall, strongly built, and light complexioned. He speaks Hebrew and Yiddish.

Yosef (Antoinne) Yassitch was last seen leaving Ma'bara Bet in Tiberias on August 28, 1952. Born in Yugoslavia, he is 175 centimetres high, medium built, bald, with black eyes. His nose is small and his lips thin. He speaks French, Turkish, Ladino and some Hebrew.

Anyone knowing the whereabouts of these men are asked to contact the nearest police station.

MURDER. — The U.S. Senate's paymaster, Mr. Ellis, 65, shot and wounded his wife on Sunday and then killed himself, police reported in Washington.

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Jailed Five Years For Selling Secrets

A young man who confessed to passing documents and information to a neighbouring foreign state was sentenced yesterday to five years imprisonment by the Acting President of the District Court, Judge Henry Baker. A second defendant — a soldier, who pleaded not guilty — had his trial deferred until after the court recess.

The prisoner had confessed to four contraventions of the Official Secrets Act, three of them amounting to treason, by passing information and documents to the enemy. The crimes were carried out abroad for payment.

The Medical Advisor to the Ministry of Justice, Dr. S. Kelly, who had examined the prisoner, testified that he suffered from hysteria and at times was not responsible for his actions. He did not weigh his actions even though he was aware of their nature.

The accused was sentenced to five years imprisonment on each of three counts and to two years on the fourth. In view of his age, and with all possible regard for his young wife, the sentences are to run concurrently.

Judge Baker added that it was desirable that the prisoner should receive suitable medical treatment and the Medical Advisor was asked to examine him, together with other experts, after two years to see if it was possible to appeal to the President for pardon.

The Attorney General, Mr. Haim Cohen, prosecuted, while Mr. P. Rabinovitz was appointed by the court as counsel for the defence.

Tax Imposed On Seized Diamonds

An injunction to prevent the collection of compulsory loan payments on 1,400 carats of diamonds confiscated by the police was given by the High Court of Justice yesterday at the request of Mr. Moshe Berman of Natanya, a diamond dealer.

Counsel for the appellant, Mr. Marash, stated that Mr. Berman came from Belgium in 1951 and after a few days the police confiscated the diamonds in question, valued at IL.7,000, which were not returned and on which compulsory loan payments are now demanded.

When Mr. Berman refused to pay, some of his furniture was confiscated. Counsel pointed out that his client could not be regarded as being in full possession of the diamonds as he could not transfer them to any other person.

A temporary order was issued to hold up the collection of payments to give Mr. Marash time to appeal against the confiscation, a matter that was not dealt with in the appeal (Itim)

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'T.A. Gangsters Beat Me Up,' Klein Avers in 'Romek' Inquiry

Strong-arm tactics by "Tel Aviv gangsters" to force payment of bad travellers cheques, not for the sake of the money itself, but to prove that they could not be swindled, was alleged yesterday in Jerusalem by Mr. Max Klein, manager of the Marein Antique Shop.

He was testifying before Magistrate A. Eden in the preliminary investigation of four persons, Reuven Grinberg ("Romek"), Ezra Yegnes, Yosef Shaul and Yehuda Tov, accused of trying to extort money from Mr. Klein in December, 1953.

The witness stated that two-and-a-half years ago, two tourists entered his shop, one giving his name as *Frederico Sereno*, and describing himself either as the head of the Government or the police force of Honduras, and a woman. They bought antiques valued at IL.1,100 and proffered the travellers cheques in payment. Mr. Klein, in refusing to accept the cheques, directed them at their own request to some money-changers who would give them more than the legal exchange rate. One of these money-changers, Mr. Shimon Deutsch, later approached him, asking for information on the tourists. Mr. Klein said that they seemed to be responsible persons, but did not promise, nor was he asked, to guarantee the cheques.

Worthless Cheques

A year later, Mr. Deutsch told Mr. Klein that he had purchased cheques worth IL.6,000 from the pair. Mr. Deutsch had sold them to persons in Tel Aviv, but when the latter tried to cash them abroad, they proved worthless. Now the Tel Avivians were demanding the return of their IL.6,000 with "interest and expenses."

"Romek" entered the Marein shop and offered his services in settling the difficulty. He said he would try to convince Mr. Deutsch that the "Tel Avivians," whom he termed "gangsters," were dangerous. Regaining the money was a question of honour with them, "Romek" said.

Some time later, Mr. Deutsch, accompanied by Yegnes, Shaul and Tov, entered the shop. One of the latter — the witness did not remember who — "put his hand" on Mr. Klein and immediately afterwards the antique dealer "was tossed like a football among the three." In the fracas, the shop was damaged.

Tov finally caught him by the throat and threw him into a corner of the shop. Mr. Deutsch intervened, saying: "Don't kill him. We'll work out an arrangement." A second later Mr. Deutsch was lying on the floor by his side.

One of the accused then said that "Romek" should be called to settle the matter. But when "Romek" appeared, he refused to pay the IL.6,000 out of his own pocket, so he was sent away. "Romek," who had always been a hero to me," the witness said, "gave me the impression that he was afraid of them and was happy to be out of the matter."

Yegnes demanded immediate payment of the entire debt, but agreed to wait three days. Two persons were chosen to arbitrate, and they decided that Mr. Deutsch should pay IL.4,000 and Mr. Klein, IL.2,000.

The preliminary investigation continues today.

The Court remanded the four accused for a further seven days. (Itim)

IPO Records On Sale in November

TEL AVIV, Monday. — Gramophone records made by the Israel Philharmonic Orchestra will be on sale in three months, Mr. H. Solomon, Secretary of the Orchestra, told reporters here today.

The European tour will be conducted by Mr. Paul Paray, Director of the Detroit Symphony Orchestra, and Mr. Paul Klecki. They will both arrive for rehearsals next April. The tour will open on May 9 in the Paris Grand Opera, followed by 42 concerts through France, Switzerland, Belgium, Britain and Holland.

The largest number of concerts in any one country will be held in Britain's main cities, the highlights being those in London Festival Hall, and the Royal Albert Hall (seating 10,000 persons).

The tour will end with two invitation appearances at the Holland festival in Amsterdam and The Hague. The trip is sponsored by I.P.O.'s Friends Committees abroad.

Mr. Yehudi Menuhin is expected in October, 1955 — for a concerto.

ISRAEL BONDS

BOSTON, Monday (INA). — More than 500 delegates will attend the third annual New England conference for Israel bonds here on September 18 and 19, it was announced by Mr. Lawrence G. Laskey, Regional Israel Bond Chairman for New England.

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Cables in Brief

ATOMIC. — The first consignment of radioactive phosphorus isotopes for research to improve Indian soil fertility has arrived from the U.S., it was officially learned in New Delhi. It is the first time that atomic products will have been used in Indian agriculture and the research is expected to lead to the building of a phosphate fertiliser plant.

VISIT. — Admiral Earl Mountbatten, Commander-in-Chief of the British Mediterranean Fleet, left Malta yesterday in his flagship, the cruiser Glasgow, for Benghazi where he will call on King Idris of Libya today.

BROADCAST. — Radio Peiping said yesterday a China-Soviet Russia broadcasting cooperation agreement was signed in Moscow on Sunday. The broadcast said the agreement will enhance Chinese-Russian understanding.

GASPERI. — The body of Alcide de Gasperi, Italy's Christian-Democrat elder statesman who died last Thursday, was yesterday laid to rest beneath the high altar of the Basilica of Saint Laurence in Rome.

COLLISION. — Three people were killed yesterday in a collision between their car and the Tunis-Bizerta diesel railcar at a level crossing, it was reported from Tunis.

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Notice to the public

Since the Authorities have increased the Purchase Tax by 100% on ball point pens and fountain pens costing up to IL.3.250, we regretfully announce that as of today we are forced to charge 280 pruta tax on each fountain pen instead of 140 pruta as heretofore.

The Pen Factories in Israel

One Week Only is left for paying the 15% of the COMPULSORY LOAN due in August
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Economic News from Abroad

- The July sterling area's balance of payments has come as a surprise even to the British Treasury in July: gold and dollar reserves declined by only $4m. after the payment of $60m. to creditors in the European Payments Union. The sterling area is expected to remain in surplus for the rest of the 1954.
- Japan has again applied for membership in the GATT, but the British and French fear that their overseas markets will be flooded by cheap Japanese goods if quantitative restrictions are no longer imposed.
- Brazil is trying to arrange an $80m. loan from the Federal Reserve Bank in order to be able to keep up its present policy of maintaining a high price for coffee despite her large stocks.
- The Government of India is to grant a loan of Rs. 100m. to the Tata Iron and Steel Company. The steel works are to be modernized at a cost of Rs.340m. and their output increased by 1957 from 750,000 tons of finished steel to 931,000 tons.
- Farm prices have dropped 19 per cent since 1945 in the U.S. while retail food prices have gone up by one per cent. The farmer now gets only 44 per cent of what the consumer spends on food, instead of 54 per cent because of higher processing and distribution costs.
- A ten-year shipbuilding programme intended to add three million tons gross to the merchant marine, has been approved by the Italian parliament. It includes two passenger liners of some 30,000 tons for the South American trade. Italy now has a merchant fleet of 3.75m. tons compared with 3.5m. before the war.
- Pakistan will be able to export paper by the end of this year. Representatives of the government-owned Karnaphuli paper mill have already made tentative arrangements for sale of writing and wrapping paper to several Middle East countries. Newsprint production is to cover domestic requirements within five years.
- The ambitious plan for a million-ton steel industry in Argentina is to be realized with the help of Peruvian and German credits. Total investment has been estimated at $500m., of which $200m. are to be spent on equipment. The $125m. Peruvian loan (supplied by the Nicolini group) will be used for German steel-making machinery and an American rolling mill (which the U.S. Government refused to ship to Czechoslovakia for strategic reasons).
- A considerable part of American loan "defence support aid" to Spain is to be used for improving the country's road and communication system. The harbours are to be expanded and a pipeline is to be constructed between Torrejon, near Madrid, and the important Cartagena refinery.
- The World Bank has granted Austria a loan of $12m. to help complete a hydroelectric power project. Most of the money will be spent in Italy and in Switzerland.
- Fourteen million dunams have been collected from over 300,000 donors by A. B. Bhave, Ghandi's favourite disciple, for redistribution to India's landless peasants. Only 320,000 dunams have been distributed so far (to 20,000 families), because of delays caused by transfer registration formalities, but voluntary gifts are continuing at the rate of 14,000 dunams a day. A target of 200m. dunams has been set Mr. Bhave for the end of 1957.
- A cheerful welcome has been accorded in U.S. Atlantic ports to the Turkish goodwill ship 'Tarsus', a 10,000 ton 'floating exhibition' of Turkish products made with American aid. The vessel also carries some 500 representatives of Turkish cultural, industrial and governmental circles, and their wives.

Paper Production Needs Revision

By Our Economic Editor

THE American-Israel Paper Mills in Hadera, one of the most important industrial enterprises established in this country in recent years, have disappointed the consumer — and the investor—in three important respects. Output is lagging; the quality of the paper is not up to promised standards; and the price of two products — newsprint and Kraft paper — has been jacked up considerably.

The plant, an affiliate of the Palestine Economic Corporation, represents an investment of over IL.2m. and $2.8m., and was built on the initiative of the Maner family and of other leading paper manufacturers. Its construction was planned and supervised by one of America's best known engineering firms, which specialises in paper mills.

The company started production in December, 1953, with an envisaged annual output of 12,000 tons that was to be stepped up in later years to 14,000 — the total domestic requirement for the kinds of paper that were to be manufactured at the plant (Kraft, newsprint, sulphite, woodfree and woodcontaining, writing and printing paper) hitherto costing us up to $3.5m. in foreign currency annually.

Purchase Tax

A fifth of this sum was to be saved from the start by producing the paper here, and in view of this prospect, exceedingly favourable terms were granted to American-Israel. The company was told that all import of papers it would manufacture would be discontinued unless expressly authorized by it. In addition, the customs duty was increased on some types of paper as a result of the introduction of the exchange rate of IL.1.8 per dollar. In order to recoup a part of the losses on customs receipts created by the discontinuation of import, however, the Government introduced a purchase tax which was intended to yield IL.1.5m. a year.

The factory management says that technical difficulties are mainly to blame for the plant's shortcomings. The re-winder machine, though ordered from the best source, proved a complete failure and had to be replaced. In the paper machine, too, the belt shifters had to be redesigned and locally produced belts substituted. The reel cores are unsatisfactory and waste labour. The training of skilled workers takes longer and is more difficult than expected: meanwhile the equipment is not utilized efficiently. Such difficulties are unavoidable in every new factory, and that is precisely why one wonders how so much importance could be attached to them.

Output Up

At any rate average monthly output has been stepped up from 270 tons for the first five months to 625 tons during the next three, and has now reached about 800. If the present level of production is maintained, the total output for 1954 may reach 7,500 tons, and during the course of next year it may rise until it reaches about 1,000 tons. The management is cautious about predicting any further increases, but one hopes that the young plant will come up to expectations.

To what extent the quality of the paper, which is quite usable, but not first-class, will improve it is even more difficult to forecast. The present defects have been partly caused by lack of experience and faulty specifications, but there remains the basic question whether the plant's one paper machine can turn out first-class paper of various kinds efficiently. The factory is virtually unique in this respect.

The price increases are hardest to justify. Private estimates have it that consumers are paying almost IL.5 for every dollar that the factory saves us although the factory claims that the figure is closer to IL.2.500. American-Israel newsprint now costs IL.440 per ton against IL.375 seven months ago, and Kraft paper IL.500 against IL.464.

Fortunately, newspapers and other customers have registered their opposition to the price increases, and the Economic Advisory Staff has been asked to probe into the matter.

It is true that the price of Scandinavian pulp advanced by approximately 20 per cent between the last quarter of 1953 and the second quarter of 1954, but pulp accounts for only 60 per cent of paper production costs. The rises in the cost of fuel and of labour could only have played even less of a part.

Thus, we have to make do with the management's explanation that it had to effect a revision of original cost estimates, to which we must add the fact that the financial schedule of the "AIPM" was completely upset by the great loss it has incurred during its first year (the million-dollar loan that foreign investors had granted to it was originally to have been repaid out of profits over the first five years of operation).

Paradoxical Outcome

The paradoxical outcome of these developments has been that the company is unable to exercise the monopolistic power given to it and that the force of circumstances has led it to allow the import of paper which it had been supposed to produce on a considerable scale. It recently requested an import licence for newsprint, and a large quantity of Kraft paper for the manufacture of cement bags is also to be ordered abroad.

More imports will become necessary when paper stocks decline, say the merchants but neither the paper consumers nor the treasury are likely to protest. The former will be getting better paper at similar prices and in some cases appreciably cheaper, despite the customs duty of 28 per cent. In newsprint the saving may amount at present to about IL.50 per ton, i.e., 11 per cent. The latter will receive both the purchase tax and the customs duty, though such double taxation is devoid of all logic.

But the revised output figures should also lead to a reconsideration of the factory's production programme. The envisaged annual output of 12,000 tons was intended to include approximately 3,500 tons of Kraft paper, 2,500 tons of newsprint and 6,000 tons of writing and printing paper. In practice, half of all the paper produced so far has been newsprint which allows the least saving in foreign currency. The other half was accounted for by all kinds of paper and the frequent change-overs must have had an unfavourable effect on the flow of production, on its costs and on quality.

There is no doubt that by concentrating production on one or two lines, the factory could increase output considerably, improve the quality and cut its costs. Since imports are unavoidable for the time being, the best course would be to transfer some of the remaining paper grades from the production programme of the AIPM to the Government import plan and to abolish the purchase tax for them accordingly. Newsprint seems to be most suitable for this, but other kinds of paper (e.g., sulphite) should also be taken into consideration.

UNEMPLOYMENT BREAKDOWN

Out of 101,000 persons registered with the labour exchanges in 1953, almost 20,000 were of Iraqi origin, 16,007 of Rumanian and over 13,000 of Polish origin, it is revealed by statistics published by the Labour Exchange Centre. The next four places have been filled by immigrants from Yemen, Morocco, Iran and by native Israelis, each category numbering between 9,000 and 5,000 (in that order).

Unskilled workers made up only 25 per cent of the native born, 40 per cent of Polish immigrants, 65 of Rumanian immigrants and over 70 each of those from Iran, Iraq and Yemen.

Chances For Grape Exports

Jerusalem Post Reporter

GRAPE growers are now eagerly awaiting news from Britain about the results of the first large consignment of Israel table grapes to an overseas market: 75 tons, specialy picked and packed, shipped by "Tnuva" in a cold storage fruit carrier. Prices for table grapes range between one shilling and three shillings per lb. (IL.0.550 and 1.650 per kg.) during the summer season, when no shipments reach Britain from South Africa, and supply from other sources is short of the demand.

No Subsidy Needed

According to a conservative estimate, Israel grapes could command an average price equivalent to IL.800-900 c.i.f. per ton during this season. Freight and cold storage cost about $30 a ton, and up to IL.250 have to be spent on packing materials (perhaps IL.200), haulage, storage, etc. This would leave a net income of about IL.500-600 per ton for the grower, which compares very favourably with profits from local sales. As a matter of fact, some experts feel that table grapes are so far the only agricultural product besides citrus that we can export without subsidy and that will fetch better prices abroad than on the local market. This is of particular importance in view of the increasing supply of table grapes, which will in the near future greatly exceed local demand.

Selected Varieties Only

Only a few of our grape varieties grown in this country are suitable for the British and North Continental market, however. In the main, these are "Queen of Vineyards" and "Dabuki", which we only produce in limited quantities today and which have not been planted much in recent years. Further, grapes can only be shipped at a strictly controlled temperature slightly above zero, and properly equipped fruit carriers with cold storage facilities seldom visit our shores except during the citrus season.

WEEK ON THE STOCK EXCHANGE

THE dull season was again reflected in the stock market business, although activities increased in certain sections. In the State Loan market offers brought prices down slightly, and it appears that some switching is in progress from the old Government bonds to Milve Hovah. PAL. POTASH, both ordinary and preference shares, suffered a considerable setback, while BANK LEUMI shares, NESHER "B" and PAL. COLD STORAGE debentures receded by about two points.

On the other hand, interest was focused on the ELECTRIC issues, with JERUSALEM ELECTRIC shares, in the lead, gaining some 8 points. It will be recalled that in October 1954, the first payment will be made on account of the new bonds for which the Electric stocks will be exchanged. Therefore, final settlement of the issue cannot be dragged any longer, and this fact may have encouraged the demand. A slighter recovery affected P.L.D.C., AFRICA-PAL. INVESTMENT and ASSIS & BEJARANO BROS.

New York at New Peak

WALL Street continued its advance and reached a new 1954 peak. Despite profit-taking throughout the week, the demand was considerable and all offers were easily absorbed. Steel, aircrafts and uranium showed gains, with the volume of business continuing high. The Dow-Jones Average for 30 Industrials was 350.38 against 346.64 last week, and for 20 Rails 120.25 against 119.74.

London Recovering

AFTER a few days of nervousness on the stock market because of the international situation and the E.D.C. talks, a steadier tone prevailed over the weekend, especially on account of the British Treasury's decision to repay voluntarily the outstanding $112m., that it had bought for sterling from the International Monetary Fund during the financial crisis of 1947 and 1948. This was considered a further proof of confidence in the outlook for sterling. In the foreign bond market, Greek issues were firm, while Gold shares have been rather erratic and tended recovery after falling during the week. Reuter's Daily Index for Industrials was 196.8, after having touched a low of 195 earlier in the week.

Gold

IN London, the price of gold was marked down from 249/3d. to 249/1d. per fine ounce, in sympathy with the rally in sterling. Last week's price was 248/11½d. Business remained quiet, but showed a little improvement on continental buying. In Paris, prices declined slightly, as offers were absorbed only with difficulty because of lack of buyers, reflecting the absence of the prominent dealers. In Zurich, the price of the gold sovereign was sfrs.42.25, as last week.

Commodities

The feature of the generally quiet week in commodity markets was the decline in Coffee and Cocoa prices, as a result of the new Brazilian exchange rates, which have led to a drop of about 20 per cent in these prices. It appears that the real purpose of Brazil's further devaluation of the cruseiro aims at stimulating export. At the same time the decree establishing a minimum price of 87 U.S. cents per lb. for coffee has been revoked, and the minimum is now stated in cruseiros. According to commentators, the new regulation is clearly a tactical capitulation to American pressure.

Elsewhere, the grain markets have been firmer, partly under the influence of the lower U.S. maize crop estimate and the delay in the U.K. barley harvest caused by bad weather. In Ottawa it was announced that Canadian wheat export dropped by almost one-third in the 1953/54 crop year, with the surplus now totalling 580.2m. bushels, a rise of 45 per cent over last year's surplus. The wheat crop for this year, however, has been estimated at 512m. bushels, the lowest in four years.

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Tel Aviv Stock Markets

AUG. 23.

Govt. Loans	
5% 1955 (reg.)	101¼
5% 1956 (reg.)	99¾
5% 1959 (reg.)	100¼
Pop. Loans	
1949/69 (IL. 10)	102⅞
1950/75 (IL. 10)	96
3½% Tavel Dollar	1387(x)
3½% War Loan 54/59	74½
3½% Govt. Bonds large	98
Pal. Bearer Bd.	
Ser. 1	74½
Ser. 2	73
Ser. 3	72
B. Leumi Ord. sh.	285
A.P.B. Invest.	
4% Debs. 50/70	98(c)
4½% Pref. sh.	100
Ord. sh. "B"	113½
Gasit Ord. Sh. "B"	108
Gen. Mortg. Bk.	
4% Debs. 68/88	87½
6% Pref. sh.	73½y?
Bitsur 4% Debs. 46/66	86
4½% Debs 52/56 reg.	79
Pasa Debs. 4% 42/62	79
P.L.D.C. Ord. sh. reg.	150
5% Debs.	78
Afr. Pal Inv. Ord. sh.	110
Rassco 4% Debs. 56/66	86
6% Pref. Ord. sh	92
Pal. Potash 6% Pref. sh.	[illegible]
"A" Ord. sh.	301
Pal. Elec. Ord. sh. (Isr.)	450
Pal. Elec. O.d. sh. (Ldn.)	595
Jerus. Electric (Ldn.)	817
Meheroth Pref. sh.	70
Ata 6% "C" Pref. sh.	100
Ord. "C" sh.	137
5-7% Conv. Debs.	102
"Kurdanah" Ord "B" sh.	144
Ord. "C" sh.	144
7% Conv. Debs. 56/62	111
Pal Brewery 5% conv.	103
Assis-Bej. "B" sh.	160
"Tova" Ord. sh.	100
Nesher 6% Debs. Ser. A	118
6% Debs. Ser. B	120
Pal. Cold St. 7% Debs.	141
Ord. Sh. Reg.	50
Lodzia 4½% Pref. sh.	70
Pal. Centr. Tr. pref.	[illegible]

Notes: a) purchasing price; b) selling price; c) ex-coupons; d) ex-right; 20 pruta per one Dollar, y) ex-div.

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INCOME TAX PROGRESS

THE passing of the Income Tax Law is an important milestone in the development of our public finance. After the hodgepodge of changing schedules and partial regulations, at last we have a firm basis for tax administration. One should not underestimate the importance of this departure for tax morale — already assisted by the tapering off of inflation — for only when the citizens are presented with a clear and comprehensive list of their obligations towards the State can their attitude improve.

What is more important, the overhauling of the tax administration, long overdue, has started in earnest at last and is already beginning to bear fruit. Income Tax receipts for the first quarter of the current financial year reached IL.22.6m. against IL.13.3m. a year ago, and while collections from wage-earners rose by 70 per cent, those from companies and self-employed doubled.

The collection of tax arrears is proceeding apace, and is now to be pushed with the help of new arrangements with credit institutions. The introduction of new checking methods, the publication of individual assessments, the imposition of heavier fines, and the establishment of a special intelligence unit will render tax evasion much more difficult and tax morale may improve beyond recognition within a comparatively short period as a result.

But however satisfactory the recent record and the short-range outlook may be, it should be clearly understood that the present situation cannot be permanent. There is little doubt that the present tax rates, particularly in the higher brackets, are serving as a brake on initiative and productive effort and leave little, if any room for voluntary savings. The devices now used to mitigate this influence (reduced rates for overtime work and for certain trades, etc.) are but poor and cumbersome expedients.

This negative influence is bound to become stronger — and the distinction between wage-earners and self-employed which should be replaced by that between earned and unearned income, will lose significance — as assessments become more realistic and the delays in collection are compensated by advances. Fortunately, the continuous increases in the tax yield, which is again likely to exceed the estimates this year, opens up the prospect that in the not too distant future the present rates may be revised and justified complaints attended to.

TEXTILE PRINTING

THE quality of local printed textiles could be improved by the use of stencils made of imported silk, manufacturers claim, for local silk is unsuitable for printing stencils. Moreover, costs of textile printing could be reduced considerably by introducing modern machinery.

The total output of the seven existing factories is estimated at 14,000-15,000 sq. metres a day, but exports of printed textiles are encountering difficulties because of their deficient quality and excessive costs. In most cases the textiles cannot be dyed and finished at the printing plants, and this adds haulage and handling to the expenses.

State As Citrus Grower

By Our Economic Correspondent

THE Government is about to invest in new citrus groves. At the same time, a recent plan suggests that the State build new factories out of Reparations funds. Both projects propose to introduce state initiative and funds into branches of enterprise which until now have been the domain of private investors.

The reasons for this move are not far to seek. Oranges have again become the main export item of Israel now that much of the war damage has been repaired. Foreign currency earnings out of this source have increased and there is hope that an expansion of citrus plantations might help improve our balance of payments further. It is therefore only sensible to do all we can in order to increase the land under citrus.

Committing Orders

As for industry, it seems that private initiative cannot move fast enough to fill the orders open to the Shilumim Company: the buyer must first investigate whether the machinery will pay, and whether it will prove suitable to the enterprise and its existing plant; and industry has been hesitant to commit itself to big orders, as the proposal to link the reparations equipment to the cost-of-living index makes it difficult to calculate amortization and profitability.

It appears doubtful whether the introduction of government initiative into these fields will benefit the economy. One wonders whether it is the task of Government today to go in for enterprises which have already emerged from the experimental stage. The very fact that oranges are again yielding a handsome profit should make them attractive for private capital. The companies which have been planting new groves during the last couple of years have succeeded in selling plots abroad. If the Government steps into this field too, it might well decrease further the ebb flow of foreign capital.

Efficiency in state enterprises so far has not proved high enough to ensure the proper handling of new undertakings. And if state planting of oranges is pushed without proper attention to "nursing the market," an expansion may bring about a sudden slump.

The plan to buy factory equipment out of Shilumim funds and to set up industrial Government enterprises with it is open to similar objections. The Government can and must invest in undertakings which increase the productive capacity of the country: be it in communications, electricity, agricultural settlement or irrigation. It has the task to create the conditions for increased economic activity. For this purpose investments can be made even à fonds perdu. But factories must pay for themselves. So private capital has been taking time to figure out the profitability of orders from the Shilumim Company, and it is very doubtful whether the Government could do better. Time is short — that appears to be the main factor for this new proposal — but no company or Government agency can do a good job of evolving plans within a few months, and of checking these plans for their feasibility under our conditions, taking into account the provision of raw materials, the capacity of the domestic and foreign market, and so on.

The Minister of Finance has spoken in the Knesset of further privileges for would-be-investors. The plans to invest Government funds in oranges and factories run counter to this avowed intention.

Finally, we already suffer from a top-heavy administration and from the burdening of the Government with economic tasks which are too complicated. Such new ventures will add to these tasks unnecessarily.

Household Paint Demand Declines

Jerusalem Post Reporter

THE demand for household paints has steadily declined since last year, reflecting the shrinkage of the public's purchasing power, but the trend is more than offset by the rapidly growing sales of industrial paints, the Zevah Company of Haifa states in a semi-annual report. Output, export and employment figures are at an all-time high. Production figures for July 1954 are 40 per cent ahead of July 1953.

Exports have advanced from $70,000 in the first half of 1953 to $155,000 in the same period of 1954, and orders on hand run to $450,000, mainly from Turkey. Credit shortage is today the most serious obstacle in its export efforts, the Company states. The issue of import licenses for raw materials serving exports still suffers unreasonably long delays at the Ministry of Trade and Industry.

The report describes as the most gratifying development in the domestic market the emergence of a steadily rising demand for industrial paints, such as automobile paints, cellulose paints, synthetics, building paints, industrial finishes for leather, textiles, metals, ship paints and anti-corrosives. The realization that in increasingly competitive markets, both here and abroad, products with a smart finish sell better, has brought more and more plants to instal special dying and drying equipment (such as infrared dryers). The use of anti-corrosives has now become a normal maintenance feature.

COMPANY RETURNS

The Board of Directors of the General Mortgage Bank of Palestine Ltd. met on the 22nd August 1954.

The Chairman, Mr. S. Hoofien, gave a report on the Bank's activities, on the accounts for the first half of the financial year, and on plans for the second half of the year.

On September 1, 1954 an interim dividend of three per cent will be paid, as in former years, on both preferred and ordinary shares.

Bejarano Profits

The general meeting of Assis and Bejarano Bros. Ltd. and its subsidiary companies will take place on August 26.

It is understood that the company's aggregate net profit in 1953 rose to IL.197,000, compared with IL.136,000 in the previous year. Of this IL.128,000 (against (IL.76,000) was paid out in income tax. The general meeting will propose to distribute IL.62,000.

Tefahot Activity Contracting

The "Tefahot" company, established ten years ago to provide second mortgages for housing, could not thrive in the inflationary climate of the recent period, and its original purpose is being fulfilled by other means. The balance sheet for end of 1953 shows that the company's debentures in circulation declined from IL.109,000 to IL.94,000, while capital and reserves stayed at IL.266,000. As a result loans outstanding also dropped from IL.387,000 to IL.349,000.

Financing Rural Housing

"Bitsur Ltd.," owned jointly by the Jewish Agency and the Histadrut, was instrumental in supplying medium-time credits for vital public works and employment projects under the Mandatory regime, but after the advent of the State this function has been taken over by the Treasury, and the company now specializes mainly in loans for housing and communal buildings in labour settlements. A large part of the credit has been awarded within the framework of the "Town to country" movement.

The company's total credits outstanding were IL.3.3m., at the end of 1953 (IL.3m. at the end of 1952), while debentures issued totally IL.2.4m. (including IL.0.7m. not yet allocated). In 1953, IL.111,000 in debentures was repaid and IL.150,000 placed with the "Gmul" company. In the coming years the refunding will have to be done at a higher rate.

The main sources of the company's loans have been moneys set at its disposal by the Treasury and the Jewish Agency (in 1953, IL.341,000). Capital and reserves remained almost unchanged at IL.349,000. Income was IL.212,000 (IL. 156,000 the previous year) of which IL.82,000 was paid as interest and IL.25,000 in dividends to shareholders.

Industry, Storage Help Agricultural Marketing

Jerusalem Post Reporter

EIGHT hundred and fifty three tons of fowl were supplied to the market, in June against 502 tons a year ago. Only 336 tons, however, were distributed at official prices, and half of this amount came from "Scheme B" deliveries.

Vegetable deliveries have increased considerably of late, but they are still below those of last year. Last month, Tnuva marketed 12,000 tons, compared with 13,350 in July 1953. The difference was mainly accounted for by smaller quantities of cucumbers (only 1,200 tons against 2,430 tons) and tomatoes (5,300 tons against 6,000 tons). About 2,000 tons of puree tomatoes were delivered to factories, but part was found unfit for export because of the strict standards of the British market. Carrots, beetroot and eggplant were supplied in quantities much above those of last year, and only part could be disposed of at regular prices. The rest was sold for fodder to the "minimum price fund."

Melons fetched good prices, especially those grown in Yokneam. The water melon crop was only half that of last year, but prices were low as a result of poor quality and the abundance of other fruit.

Potato Subsidy

Sales of potatoes rose by over a third in July (3,800 tons against 2,830) and prices were depressed, but the outlook improved after the Ministry of Agriculture agreed to grant a subsidy for all potatoes put into cold storage on condition that they be marketed at a uniform price until the end of the year. The total quantity stocked in cold storage by "Tnuva" is about 15,000 tons, i.e. 60 per cent of the summer crop. These are to be put on the market in September, after the potatoes stocked in ordinary stores have been disposed of.

The subsidy amounts to IL.30 per ton for potatoes sold in September and October, and IL.40 for the following two months, plus IL.30 per ton from the "minimum price." This guarantees the growers IL.117.5 per ton, and the retail price is to be maintained at IL.150 per ton, despite the fact that storage expenses and losses have been estimated at approximately IL.50 per ton. The actual cost of potatoes will thus amount to IL.217.5 a ton, of which IL.100 will be storage and distribution expenses. The land under potatoes will be increased to 10,000 dunams in the autumn.

Considerable quantities of apples are also going into cold storage for the coming holiday month. Particularly good results have been achieved this year with the storage of Wikson plums. Tnuva will store about 300 tons of table grapes for the winter season. The crop is appreciably better than a year ago, and at least 600 tons of culled table grapes will go to make alcohol, but Tnuva's management notes that the quality of table grapes has deteriorated in many settlements.

FURNITURE SLACK

IN spite of recent increases in building the furniture trade continues to be depressed. The better types of furniture are particularly affected, but so are sales of popular ice-boxes, which are now offered much more cheaply than when they were subject to control. This is partly a result of the decontrol of timber; most kinds of timber are now available in unlimited quantities.

Several furniture factories and medium-sized joineries have been closed or have laid off large numbers of workers.

THE WOMAN'S HOME COMPANION

which includes a condensation of Lloyd C. Douglas' "Magnificent Obsession" (Houghton Mifflin) in its August issue, explains that this is the first of a series of condensations that will appear in the magazine each month. Lee Shriver of the COMPANION tells us that the condensation will run between 15,000 and 20,000 words. Established best-selling novels are being used in this experiment by the magazine. The following titles are scheduled for the series of condensations: September issue "Not as a Stranger" by Morton Thompson (Scribners), October, "The Egyptian" by Mika Waltari (Putnam); November, "Bless This House" by Norah Lofts (Doubleday); January, "Desiree" by Annemarie Selinko (Morrow). The condensations are in addition to the Companion's serialization of new novels. Currently the magazine is serializing Margaret Culkin Banning's "The Heart of a Husband" beginning in August and continuing through the November issue; Harper will publish the novel in the fall.

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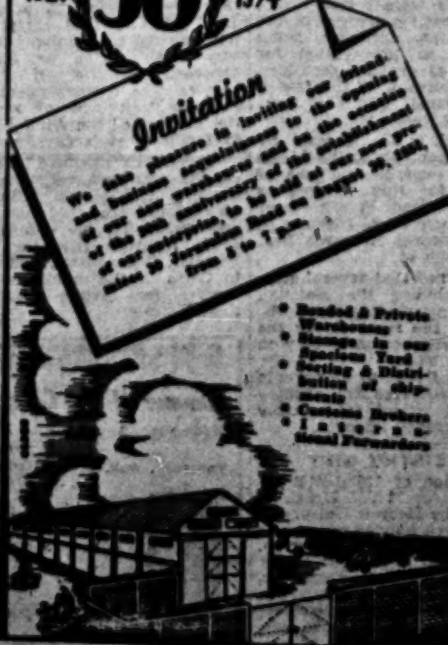

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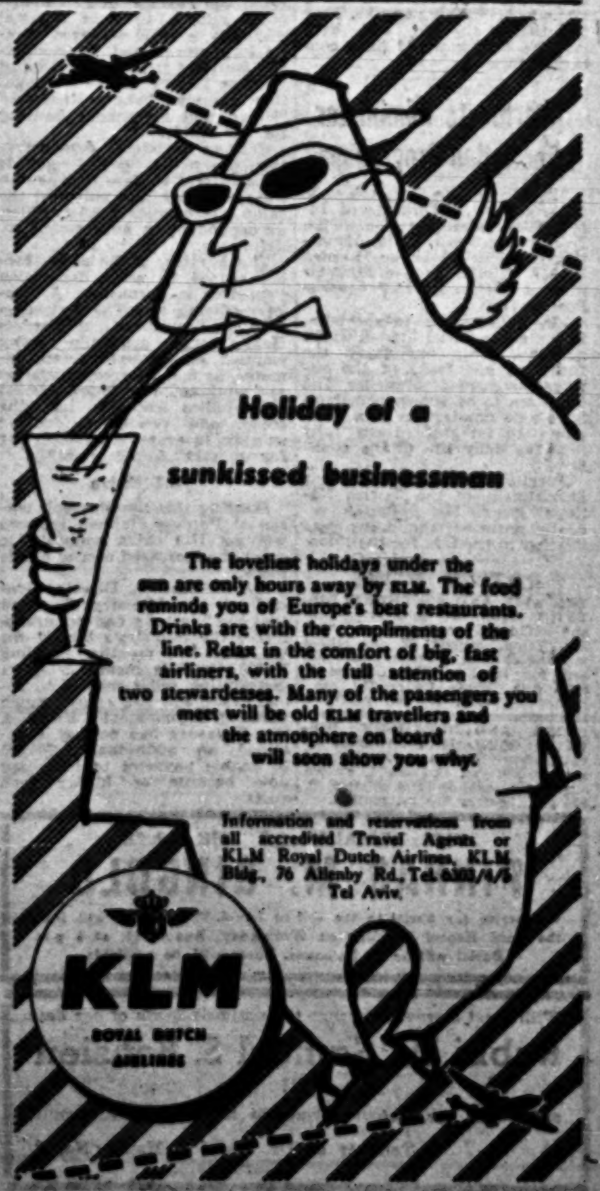

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